Court Services and Offender Supervision Agency for the District of Columbia

FY 2023 Agency Financial Report

November 15, 2023

Introduction

The Reports Consolidation Act of 2000 (P.L. 106-531) authorizes Federal agencies to combine required financial, performance, and management assurance reports into one submission to improve the efficiency of agency reporting and to provide information to stakeholders in a more meaningful, useful format. The Court Services and Offender Supervision Agency's (CSOSA's) FY 2023 Agency Financial Report (AFR) provides fiscal and selected high-level performance results that enable the President, Congress, and the American people to assess our accountability and accomplishments for the reporting period of October 1, 2022, through September 30, 2023. There are three major sections to this AFR:

Section I: Management's Discussion and Analysis (MD&A)

Contains information on CSOSA's mission, organizational structure, strategic goals, and locations. Provides an overview of financial results, a high-level discussion of selected key program performance measures, and management assurances related to the Federal Managers' Financial Integrity Act (FMFIA) of 1982 and Federal Financial Management Improvement Act (FFMIA) of 1996.

Section II: Financial Section

Provides CSOSA's FY 2023 audited financial statements and notes and the independent auditor's reports.

Section III: Other Information

Contains Payment Integrity Information Act Of 2019 (PIIA) information. The PIIA amends government-wide improper payment reporting requirements by repealing and replacing the Improper Payments Information Act of 2002 (IPIA), the Improper Payments Elimination and Recovery Act of 2010 (IPERA), the Improper Payments Elimination and Recovery Act of 2012 (IPERIA), and the Fraud Reduction and Data Analytics Act of 2015 (FRDAA).

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Agency Head Message:

I am proud to share with you the Court Services and Offender Supervision Agency's (CSOSA's) FY 2023 Agency Financial Report (AFR), as required by OMB A-136, Financial Reporting Requirements. CSOSA was established under the National Capital Revitalization and Self-Government Improvement Act of 1997 (the Revitalization Act) to increase public safety, prevent crime, reduce recidivism, and support the fair administration of justice in the District of Columbia. With implementation of the Revitalization Act, the Federal government took on a unique, front-line role in the day-to-day public safety of everyone who lives, visits, or works in the District of Columbia.

CSOSA was certified as an independent Executive Branch agency on August 4, 2000. CSOSA consists of two component programs, the Community Supervision Program (CSP), supervising adult offenders on probation, parole, and supervised release, and the Pretrial Services Agency (PSA), supervising defendants on pretrial release. Pursuant to the Revitalization Act, PSA became an independent entity within CSOSA. Although CSP and PSA have distinct mandates and Strategic Plans, our Strategic Goals provide common objectives:

- Establishing strict accountability and preventing the population supervised by CSOSA from engaging in criminal activity, and
- Supporting the fair administration of justice by providing accurate information and meaningful recommendations to criminal justice decision-makers

CSOSA is committed to achieving our strategic goals and enhancing public safety. CSP strives to decrease recidivism among our offender population by continuing to develop, implement, and evaluate effective evidence-based offender supervision programs and techniques. FY 2023 proved challenging due to increased violent and property crime in the District of Columbia. CSP realized worsening rates of offender revocation and arrest under supervision rate in FY 2023 as these measures reverted to near pre-pandemic levels. To actively address this critical public safety issue, CSP is focusing our intervention resources on the criminogenic needs of our highest-risk offenders with the intent of further reducing all types of serious violence within the District and the participation of CSP offenders in those crimes. PSA's drug testing and innovative supervision and treatment programs are regarded as models for the criminal justice system. PSA continues to improve its identification of defendants who pose a higher risk of pretrial failure to enhance its supervision and oversight of these defendants, expand services and support of persons with substance dependence and mental health needs, and lead efforts in implementing drug testing strategies to keep pace with emerging drug use trends.

For FY 2023, CSOSA is issuing an AFR and will include our complete FY 2023 Annual Performance Report with our FY 2025 Congressional Budget Justification. The AFR is our principal report to the President, Congress, and the American people on our management of the funds with which we have been entrusted and we believe it clearly demonstrates our commitment to the effective stewardship of the public's money.

The financial and performance data reported in the FY 2023 AFR is reliable and complete. The fidelity of the reported data is evidenced by CSOSA having received unmodified (unqualified) opinions from our independent auditors since the Agency's inception. An unmodified audit opinion affirms that CSOSA's financial statement(s) were presented fairly in all material respects and in conformity with generally accepted accounting principles. CSOSA's FY 2023 internal evaluation concerning the adequacy of the Agency's management controls did not identify material control weaknesses. CSOSA's evaluation of our financial management system determined compliance with Federal financial management systems requirements, accounting standards, and the United States Standard General Ledger at the transaction level.

We are committed to managing CSOSA's resources in a transparent and accountable fashion as we carry out a mission that improves the lives of all people within the District of Columbia. Thank you for your interest in CSOSA's FY 2023 AFR.

Richard S. Tischner
Director

AFR Section I: Management's Discussion and Analysis

A. Background

The Court Services and Offender Supervision Agency for the District of Columbia (CSOSA) was established by the National Capital Revitalization and Self-Government Improvement Act of 1997 (the Revitalization Act[1]). Following a three-year period of trusteeship, CSOSA was certified as an independent Executive Branch agency on August 4, 2000. CSOSA's mission is to increase public safety,

The Revitalization Act was designed to provide financial assistance to the District of Columbia by transferring full responsibility for several critical, front-line public safety functions to the Federal government. Three separate and disparately functioning entities of the District of Columbia government were reorganized into one federal agency, CSOSA. The new agency assumed its probation function from the D.C. Superior Court Adult Probation Division and its parole function from the D.C. Board of Parole. The Pretrial Services Agency for the District of Columbia (PSA), responsible for supervising adult defendants on pretrial release, became an independent entity within CSOSA and receives its funding as a separate line item in the CSOSA appropriation. On August 5, 1998, the parole determination function was transferred to the U.S. Parole Commission (USPC), and on August 4, 2000, the USPC assumed responsibility for parole and supervised release revocations and modifications for felons. With implementation of the Revitalization Act, the Federal government took on a unique, front-line role in the day-to-day public safety of everyone who lives, visits, or works in the District of Columbia.

CSOSA will include its FY 2023 Annual Performance Report with its FY 2025 Congressional Budget Justification and will post it on the CSOSA website, located at www.csosa.gov, in early 2024.

The CSOSA appropriation is comprised of two component programs:

- The Community Supervision Program (CSP), and
- The Pretrial Services Agency for the District of Columbia (PSA).

CSP is responsible for the supervision of adult offenders on probation, parole, or supervised release, as well as monitoring Civil Protection Orders and deferred sentencing agreements. PSA is responsible for supervising adults awaiting trial.

Community Supervision Program (CSP): CSP provides a range of supervision case management and related support services for adult offenders on probation, parole, and supervised release. These diverse services support CSOSA's commitment to public safety and crime reduction through the provision of timely and accurate information to judicial and paroling authorities and through the close supervision of offenders released to the community.

In FY 2023, CSP supervised approximately 6,431 offenders on any given day and 10,406 different offenders over the course of the fiscal year. The average daily population includes 4,573 individuals sentenced to probation by the Superior Court of the District of Columbia (SCDC) or under the SCDC's jurisdiction as a result of a Deferred Sentencing Agreement (DSA) or Civil Protection Order (CPO), and

[1] Public Law 105-33, Title XI

1,858 individuals on parole or supervised release who were released from incarceration in a Bureau of Prisons (BOP) facility. Parolees committed their offense(s) prior to August 5, 2000, and serve a portion of their sentence in prison before they are eligible for parole at the discretion of the USPC. Supervised release offenders committed their offense(s) on or after August 5, 2000, and serve a minimum of 85 percent of their sentence in prison and the balance under CSP supervision in the community.

During FY 2023, the CSP saw its end-of-year caseload dip 7 percent as compared to FY 2022 even as its total supervised population (TSP) (i.e., the number of persons on the supervision caseload for one or more days) *increased* 4 percent. A larger number of persons cycled into, and out of, supervision for shorter stints. The number of entries into supervision dropped 8 percent and exits increased 30 percent. The increased churn was focused primarily within the probation population where the sentences were shorter in the upper end of the range. In FY 2022, 25 percent of persons serving probation sentences were serving sentences of 36 months or more. In FY 2023, the top quarter of probation sentence lengths dipped to 27 months or more.

While the CSP's TSP in FY 2023 increased to 10,406 persons, it remained substantially below its (pre-pandemic) FY 2019 level of 14,830. The composition of the TSP continued to display higher levels of risk than prior to the pandemic as measured by the CSP's bespoke offender risk and needs screening tool, the Auto Screener. At the end of FY 2019, 48 percent of persons under CSP supervision were supervised at the highest risk levels as compared to 51 percent at the end of FY 2023. Since high-risk offenders require additional supervision contacts and intervention resources to stabilize and ensure public safety, the reduction in the CSP's workload since the start of the pandemic is smaller than the reduction in the TSP.

Offenders typically remain engaged with CSP for the following durations[2]:

Probation:	12 to 27 months;
Parole:	5 to 22 years;
Supervised Release:	36 to 60 months;
DSA:	9 to 17 months; and
CPO:	22 to 24 months

CSP's challenge in effectively creating change in our offender population is substantial. Many offenders in our population have substance abuse and/or mental health issues, have learning disabilities or do not have a high school diploma or GED, lack stable housing and family relationships, and are not workforce-ready or are unemployed.

To monitor how well the agency is achieving its mission, CSP established one outcome indicator and one outcome-oriented performance goal related to public safety:

1. Decreasing recidivism among the supervised offender population, and
2. Successful completion of supervision.

[2] Upper and lower boundaries represent the 25th and 75th percentiles, respectively, of sentences for the CSP's FY 2022 Total Supervised Population. Life sentences have been included under the assumption the offender will live to age 75 or for one additional year from the date of calculation, whichever is greater. Where applicable, extensions to the original sentence are taken into consideration.

Recidivism, or the revocation to incarceration, of CSP offenders results from multiple factors and is an outcome of a supervision process that seeks to balance public safety with supporting offender reintegration. CSP strives to decrease revocations (and, overall, recidivism) by continuing to develop, implement, and evaluate effective offender supervision programs and techniques.

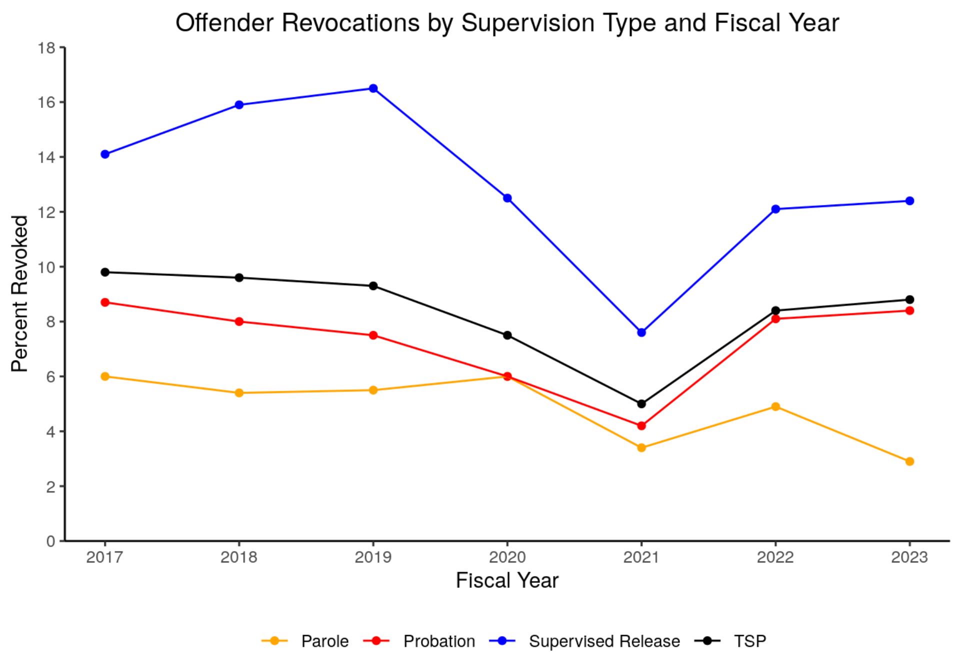
Approximately 9 percent of CSP's Total Supervised Population were revoked to incarceration in FYs 2017, 2018 and 2019, respectively. Revocations are most common among offenders on supervised release and least common among those on parole, who are typically older. The overall revocation rate dipped during the COVID-19 pandemic in FYs 2020 and 2021 before rebounding in FY 2022 and further in FY 2023 to levels approaching those in FY 2019 and before.

CSP Total Supervised Population Revoked to Incarceration, by Supervision Type, FYs 2017 - 2023

FY	Parole			Supervised Release			Probation*			**Total**		
	N	*% Change*	*% Revoked*	N	*% Change*	*% Revoked*	N	*% Change*	*% Revoked*	N	*% Change*	*% Revoked*
2017	1,448		*6.0*	3,932		*14.1*	11,027		*8.7*	**16,407**		***9.8***
2018	1,266	*-12.6*	*5.4*	3,563	*-9.4*	*15.9*	10,905	*-1.1*	*8.0*	**15,734**	***-4.1***	***9.6***
2019	1,173	*-7.3*	*5.5*	3,236	*-9.2*	*16.5*	10,421	*-4.4*	*7.5*	**14,830**	***-5.7***	***9.3***
2020	1,093	*-6.8*	*6.0*	2,743	*-15.2*	*12.5*	8,001	*-23.2*	*6.0*	**11,837**	***-20.2***	***7.5***
2021	995	*-9*	*3.4*	2,496	*-9*	*7.6*	6,058	*-24.3*	*4.2*	**9,549**	***-19.3***	***5.0***
2022	843	*-15.3*	*4.9*	2,207	*-11.6*	*12.1*	6,913	*14.1*	*8.1*	**9,963**	***4.3***	***8.4***
2023	696	*-17.4*	*2.9*	1,986	*-10*	*12.4*	7,724	*11.7*	*8.4*	**10,406**	***4.4***	***8.8***

*Probation also includes offenders with Civil Protection Orders (CPOs) and Deferred Sentencing Agreements (DSAs).

Revocation (incarceration) data excludes a small number of cases that were closed and revoked but the offender was not incarcerated.



Although CSP strives to reduce recidivism and address offenders' criminogenic needs while they are in the community, it is equally important for us to protect public safety by recognizing and responding when offenders are non-compliant with supervision. We believe our evidence-based approach of focusing resources on the highest-risk offenders contributes significantly to reducing recidivism. It will be important moving forward to develop other measures of recidivism to show the impact of our strategies.

CSP also monitors how supervision cases close each year. Cases that close successfully are defined by CSP as those that expire or terminate, are returned to their sending jurisdiction in compliance, or are transferred to U.S. Probation. Cases that close unsuccessfully are those that are revoked to incarceration, revoked unsatisfactorily, returned to their sending jurisdiction out of compliance, are pending USPC institutional hearing, or those in which the offender has been deported. Cases that close for administrative reasons or death are classified as 'Other' and are considered neither successful nor unsuccessful. These definitions are consistent with how releasing authorities define successful and unsuccessful cases.

In FY 2023, a total of 6,481 CSP cases were closed: 5,008 probation/CPO/DSA cases; 827 supervised release cases; and 324 parole cases. The table below shows that 66.0 percent of these case closures represented successful completions of supervision. We believe our evidence-based strategy of focusing resources on the highest-risk offenders plays a considerable role in two-thirds of supervision cases successfully closing each year.

The proportion of cases that terminated successfully was similar for probation (over 69 percent) and parole (approximately 60 percent) and somewhat lower among supervised release cases (approximately 47 percent). This demonstrates a need for us to continue focusing resources on younger offenders released from incarceration who demonstrate higher risk and higher needs. The percentage of successfully closed probation cases increased steadily from FY 2018 to FY 2021. Following a drop in FY 2019 and FY 2020, the percentage of successfully closed parole cases increased to approximately 60 percent in fiscal years

2021-2023. However, from FY 2021 to FY 2023, the success rate decreased across all supervision types except parole, with the most notable decrease of approximately 22 percentage points in probation cases.

Approximately 26 percent of cases closed during FY 2023 were unsuccessful and approximately 8 percent of those closures were due to administrative reasons or death of the offender. Both values are practically unchanged from FY 2022.

Supervision Case Completions by Supervision Type, FYs 2019 - 2023

Supervision Type	FY 2019		FY 2020		FY 2021		FY 2022		FY 2023	
	Closed	Successful	Closed	Successful	Closed	Successful	Closed	Successful	Closed	Successful
Probation	5,503	72.1%	4,091	77.1%	3,288	81.0%	2,888	64.3%	5,009	69.3%
Parole	424	54.0%	393	50.6%	437	60.6%	284	65.1%	324	59.9%
Supervised Release	1,563	39.2%	1,116	52.8%	1,017	61.1%	859	59.8%	827	47.2%
DSA	234	79.5%	139	84.2%	138	81.2%	156	73.7%	250	64.4%
CPO	260	91.9%	124	93.5%	82	93.9%	90	87.8%	73	83.6%
Total*	**7,984**	**65.6%**	**5,863**	**71.2%**	**4,962**	**75.3%**	**4,277**	**64.3%**	**6,483**	**66.0%**

*Data reflect supervision cases, not offenders supervised.

Pretrial Services Agency (PSA): The mission of the Pretrial Services Agency (PSA) for the District of Columbia (DC or District) is to promote pretrial justice and enhance community safety. In fulfilling this mission, PSA assists judicial officers in both the Superior Court of the District of Columbia (SCDC) and the United States District Court for the District of Columbia (USDC) by conducting a risk assessment for every arrested person who will be presented in court, identifying detention eligibility and formulating release recommendations, as appropriate, based upon the arrestee's demographic information, criminal history, drug use and/or mental health information. For defendants who are placed on conditional release pending trial, PSA provides supervision and treatment services intended to reasonably assure that they return to court and do not engage in criminal activity pending their trial and/or sentencing.

The District of Columbia (DC or District) operates a bail system that promotes clear and reasoned decisions about release or detention. The foundation of this system is the DC bail statute, which emphasizes the use of least restrictive release conditions for eligible defendants, provides an option of preventive detention for those who pose an unacceptable risk to the community, and limits the use of money-based detention. PSA employs evidence-based practices to help judges in the District of Columbia's local and federal courts make appropriate and effective bail decisions. PSA's efforts focus on creating a customer-centric culture that meets the needs of the judges, protects the rights of defendants, and remains cognizant of the Agency's responsibility to the DC community. The result is enhanced public safety, a fairer and more effective system of release and detention, and judicious use of jail resources.

PSA's current caseloads include individuals with charges ranging from misdemeanor property offenses to homicide. During Fiscal Year (FY) 2023, PSA served 24,414 arrestees and defendants. The Agency supervised 13,767 defendants on pretrial release, which corresponds to an average of 7,332 defendants on any given day. Most defendants (91 percent) are awaiting trial in DC Superior Court, with a smaller number (9 percent) awaiting trial in US District Court. PSA provided services to an additional 10,647 arrestees and defendants, which included completing criminal history checks for persons who were released on citation or personal recognizance, or whose charges were dismissed prior to the first appearance in court. Additionally, PSA conducted drug testing for 7,201 non-defendants.

During FY 2023, defendants remained under supervision for an average of 108 days. Prior to the COVID-19 pandemic, defendants remained under supervision for an average of 94 days. This average rose to a high of 214 days during FY 2021. In response to these increases, PSA reallocated staff and adjusted operations to minimize defendant rearrest and maximize court appearances. As the courts gradually increased operations post-pandemic, the average supervision length has continued to trend downward.

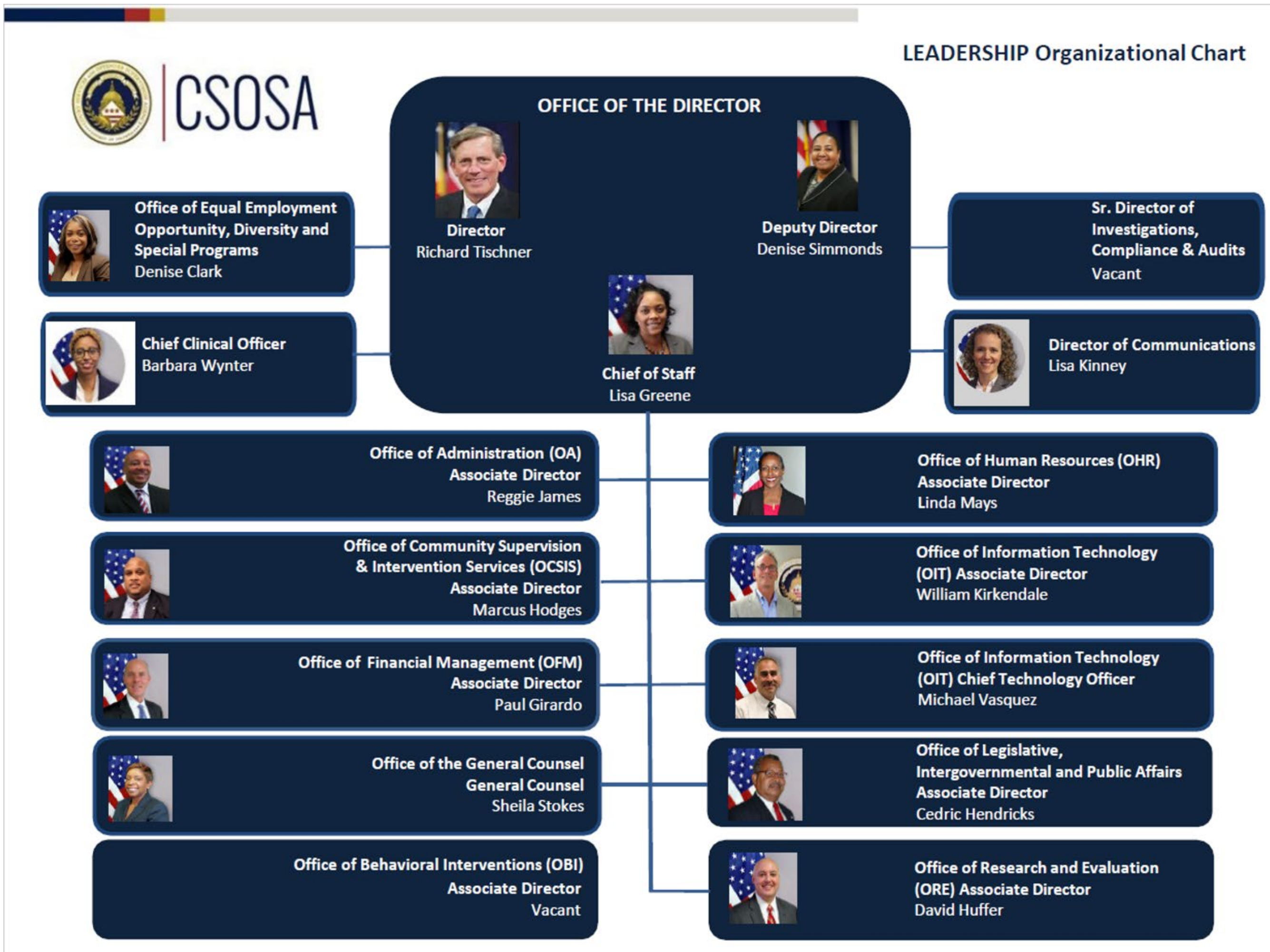
PSA's approach to drug testing and innovative supervision and treatment strategies serves as a recognized model in the field of pretrial justice. The foundation of PSA's model includes:

- Providing timely and accurate information to the courts to support informed decision-making
- Honoring the presumption of innocence and each defendant's right to pretrial release under the least restrictive conditions that assure community safety and return to court
- Promoting the use of appropriate graduated sanctions and incentives in response to defendant behavior
- Using evidence-based solutions and implementing continuous process evaluation to improve outcomes
- Responding to behavioral health needs that may jeopardize a defendant's ability to adhere to court-ordered release conditions
- Partnering with other criminal justice agencies and community organizations to build capacity for meeting defendants' social service needs
- Effectively managing the appropriated funds entrusted to the Agency's stewardship

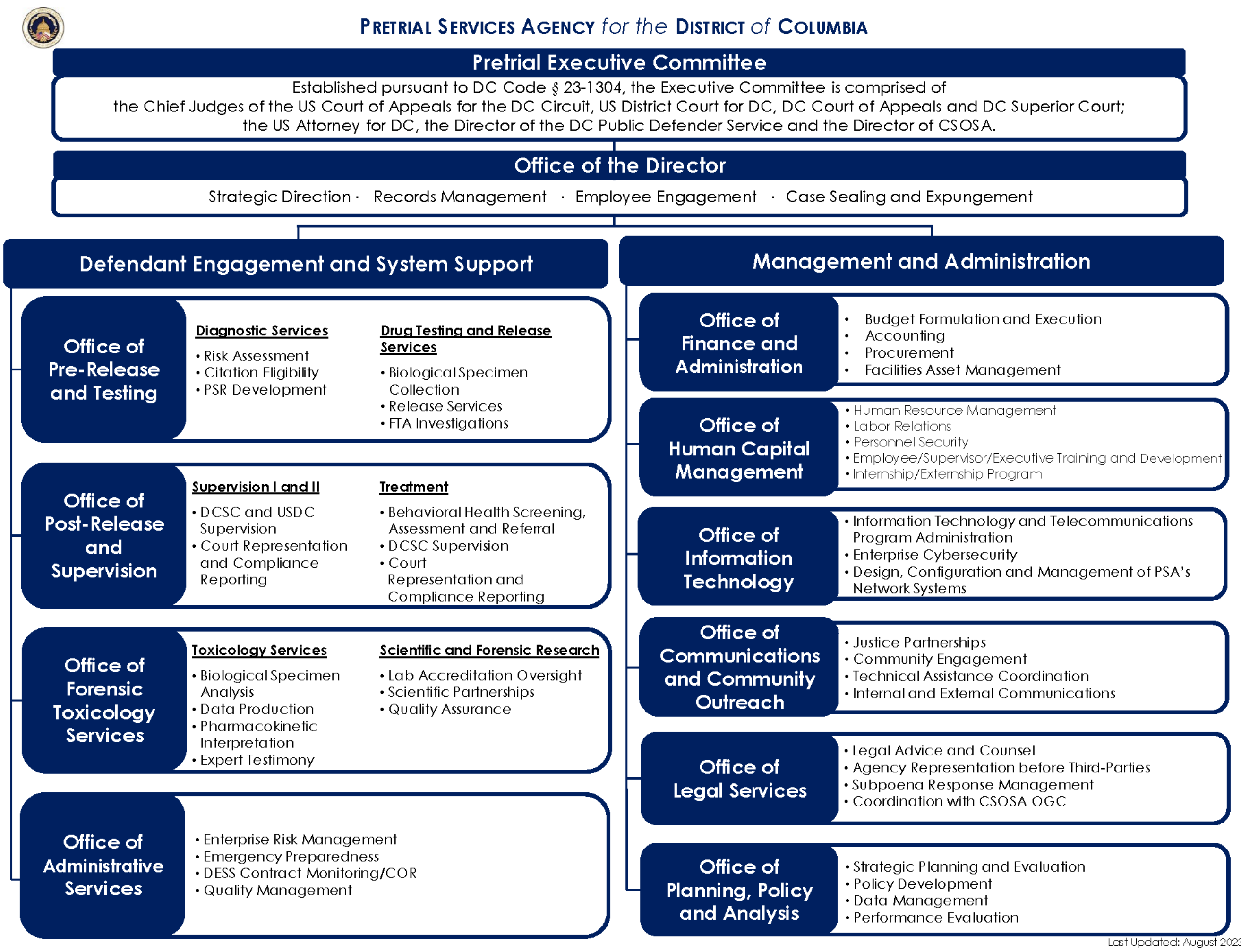
PSA continues to facilitate requests for technical assistance from national and international groups.

B. CSOSA Organizational Structure

The organizational structure of CSOSA's Community Supervision Program is shown below:



The Pretrial Service Agency's organizational structure is shown below:



C. CSOSA Locations

CSOSA (CSP/PSA) occupies twelve (12) locations in the District of Columbia, including one (1) location shared by CSP and PSA.

CSOSA's headquarters is located at 633 Indiana Avenue, NW, Washington, D.C. CSOSA is working with the General Services Administration (GSA) to find replacement space for this location due to pending lease expiration.

CSP: In FY 2023, CSP operated eight (8) total locations throughout the city. CSP's program model emphasizes decentralizing supervision from a single headquarters office to the neighborhoods where offenders live and work. By doing so, Community Supervision Officers (CSOs) maintain a more active, visible, and accessible community presence, collaborating with neighborhood police in the various Police Service Areas, as well as spending more of their time conducting home visits, work site visits, and other activities that make community supervision a visible partner in public safety. Continued real estate development in the District, however, creates challenges for CSP in obtaining and maintaining space for offender supervision operations.

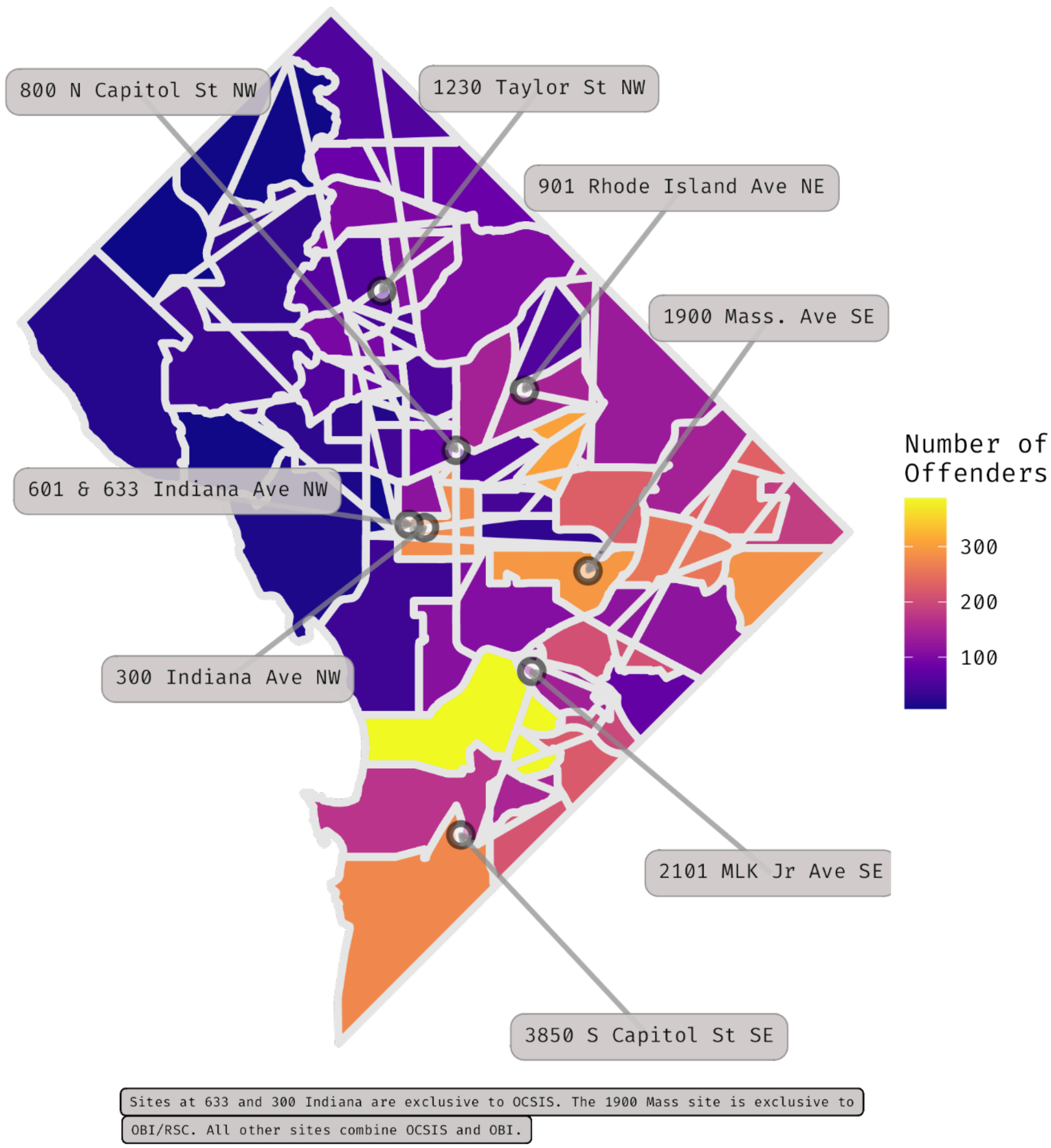
CSP performs offender supervision operations at CSOSA's headquarters at 633 Indiana Avenue, NW, due to its proximity to the courts. The lease for 633 Indiana Avenue, NW, originally expired September 2020 and CSOSA is currently operating under a temporary lease at this location through September 2026. CSP also has an administrative field unit located at 800 North Capitol Street, NW. CSP is working under temporary lease extensions through September 2026. CSOSA is working with GSA to find long-term replacement leases for these locations.

CSP operates our residential treatment and sanctions facility, the Re-entry and Sanctions Center (RSC), at 1900 Massachusetts Avenue, SE. CSP's lease for this location expires September 2024 and we are working with the D.C. Government to temporarily extend this lease as we work with GSA to relocate this critical, residential, public safety program, which is operational 24 hours a day, seven days a week.

CSP continues to maintain a limited presence co-located with the D.C. Metropolitan Police Department at 300 Indiana Avenue, NW, for our Offender Monitoring and Compliance Unit.

As part of our ongoing GSA space replacement and reduction project, CSP experienced a space reduction of 82,695 Rentable Square Feet (RSF) between FYs 2017 and 2023, with larger reductions possible with CSOSA's planned headquarters relocation.

CSP Office Locations and Supervised Offender Residences (2023):



PSA: PSA operations are located at five locations in the downtown area, including: (1) SCDC building located at 500 Indiana Avenue, NW, for defendant interviews and risk assessments, court support, and specimen collection; (2) Elijah Barrett Prettyman building (U.S. District Court) located at 333 Constitution Avenue, NW, for federal defendant interviews, risk assessments, and court support; (3) 633 Indiana Avenue, NW, which houses its Headquarters office, supervision and treatment programs; (4) 601 Indiana Avenue, NW, for supervision and treatment programs; and (5) 90 K Street, NE, which houses its drug testing laboratory.

D. Performance Goals, Objectives and Results

CSOSA's mission is to increase public safety, reduce recidivism, and support the fair administration of justice in close collaboration with the community. CSOSA's functions of effective supervision for pretrial defendants and convicted offenders, along with effective service to the courts and paroling authority, are critical to public safety. Although CSP and PSA have two distinct mandates and Strategic Plans, our Strategic Goals provide common objectives for the Agency's management and operations.

<u>CSP Strategic Goals:</u>

Strategic Goal 1: Reduce Recidivism by Targeting Criminogenic Risk and Needs Using Innovative and Evidence-Based Strategies.
Strategic Goal 2: Integrate Offenders into the Community by Connecting Them with Resources and Interventions.
Strategic Goal 3: Strengthen and Promote Accountability by Ensuring Offender Compliance and Cultivating a Culture of Continuous Measurement and Improvement.
Strategic Goal 4: Support the Fair Administration of Justice by Providing Timely and Accurate Information to Decision-Makers.

<u>PSA Strategic Goals:</u>

Strategic Goal 1: Judicial Concurrence with PSA Recommendations
Strategic Goal 2: Continued Pretrial Release
Strategic Goal 3: Minimize Rearrests
Strategic Goal 4: Maximize Court Appearance

These Strategic Goals are the foundation for CSOSA's structure and operations, as well as the Agency's plans for allocating resources, measuring performance, and achieving outcomes. In terms of both day-to-day operations and long-term performance goals, these strategic objectives are fundamental to CSOSA's efforts.

E. Key Performance Information

Community Supervision Program

CSOSA's Community Supervision Program (CSP) identified offender ***<u>Rearrest</u>*** and offender ***<u>Drug Use</u>*** as the two intermediate outcome performance indicators most closely linked to our public safety mission. CSP's FY 2023 Annual Performance Report, reporting on all agency performance measures, will be included in the FY 2025 Congressional Budget Justification to be submitted in early 2024.

<u>Strategies and Resources</u>

CSP employs several evidence-based strategies, consistent with its program model, to achieve its performance outcomes. The strategies are organized under four Strategic Goals that support the Agency's mission and drive the allocation of resources.

STRATEGIC GOAL 1: Reduce Recidivism by Targeting Criminogenic Risk and Needs Using Innovative and Evidence-Based Strategies

Risks to public safety posed by individuals are measurable based on attributes that are predictive of future behavior while under supervision or after the period of supervision ends. These risks are either static or dynamic in nature. Static factors are fixed conditions (e.g., age, number of prior convictions, etc.) that can, to some extent, predict recidivism, but cannot change. However, dynamic factors can be influenced by interventions and are, therefore, important in determining the individual's level of risk and needs. These factors include substance abuse, educational status, employability, community and social networks, patterns of thinking about criminality and authority, and the individual's attitudes and associations. If positive changes occur in these areas, the likelihood of recidivism is reduced.

CSP's classification system consists of a comprehensive offender risk and needs assessment that results in a recommended level of supervision and the development of an individualized supervision plan designed to address the offender's risk and needs. CSP uses several assessment instruments to identify risk and needs, including the Auto Screener, a comprehensive screening instrument, and the Triage Screener, an immediate risk assessment tool.

In FY 2022, CSP began to transition our risk/needs assessment and case planning system away from the Auto Screener towards the Dynamic Risk Assessment for Offender Reentry (DRAOR) assessment. While CSP continued to use the Triage Screener and Auto Screener tools in FYs 2022 and 2023 to establish supervision levels for offenders, it utilized the DRAOR primarily for case planning (i.e., assessing what mix of containment, surveillance, and behavioral interventions will be applied to each offender) and progress tracking (i.e., discerning whether offenders' attitudes and behaviors are trending towards stability and desistance from criminality).

The DRAOR is designed to focus the attention of both the supervision officer and the offender on sources of stable risks (e.g., low impulse control, high sense of entitlement, anti-social peer association), acute risks (e.g., negative mood, access to victims), and protective factors or strengths (e.g., social support, pro-social identity), promoting a therapeutic alliance throughout the course of supervision. The adoption of the DRAOR is one component of the CSP's effort to update its case planning and management procedures in response to research findings and evolving standards of correctional practice.

In FY 2024, CSP will transition from the Auto Screener to a new, fully automated risk assessment system that is integrated with the Supervision Management Automated Record Tracking (SMART), CSP's offender case management system.

By incorporating information from the DRAOR, if one has been completed, and imputing DRAOR scores if none are available, the new assessment system returns risk estimates that more closely align with an offender's criminogenic profile than those from the Triage Screener, even during the first 30 days of supervision. Using a more responsive assessment system will allow CSOs to recommend and refer offenders to appropriate services and interventions, that create client change, reduce recidivism, and increase public safety. The new assessment system will assess each offender on the CSP caseload daily. The case management system will notify the CSO when they need to review the scores (e.g., when a change in supervision level is recommended). Replacing the Auto Screener with the automated system will reduce CSO workload. CSP expects to discontinue use of the Triage Screener, as well as the Auto Screener, in favor of the new assessment system during FY 2024.

Following the decrease in the size of CSP's supervised population, the number and percentage of offenders assessed and supervised at the highest risk levels also decreased from FY 2020 - 2022 levels. Of the 6,431 total supervised offenders as of September 30, 2023, 3,304 (51.4%) were assessed at the highest risk levels (intensive and maximum combined). This represents a decrease from fiscal years 2022 (54.5%), 2021 (56.1%), and 2020 (54.4%) but remains above the pre-pandemic levels of FY 2019 (48.2%). Highest-risk offenders require additional supervision and intervention resources to create client change and ensure public safety.

CSP Supervised Offenders by Supervision Level as of September 30, FYs 2020 - 2023

Supervision Level	FY 2020		FY 2021		FY 2022		FY 2023	
	N	%	N	%	N	%	N	%
Intensive	1,683	23.0%	1,488	24.5%	1,645	23.8%	1,292	20.1%
Maximum	2,299	31.4%	1,920	31.6%	2,120	30.7%	2,012	31.3%
Medium	1,785	24.4%	1,541	25.4%	2,069	30.0%	1,954	30.4%
Minimum	1,279	17.5%	805	13.2%	833	12.1%	764	11.9%
TBD*	140	1.9%	120	2.0%	89	1.3%	75	1.2%
NA**	135	1.8%	202	3.3%	92	1.3%	41	0.6%
Missing***	0	0.0%	0	0.0%	53	0.8%	293	4.6%
Total	**7,321**	**100.0%**	**6,076**	**100.0%**	**6,901**	**100.0%**	**6,431**	**100.0%**

*Offenders in To Be Determined (TBD) status are eligible for an Auto Screener assessment but have not yet had one completed. Offenders in this status are supervised by CSP at the Maximum supervision level until their assessment has been completed.

**Auto Screener assessments are not required for misdemeanants residing outside of DC who are supervised primarily by mail. If an offender does not require an assessment, his/her risk level remains as "NA".

*** The deployment of the CSP's case management system in October 2021 prevented the automated assignment of supervision levels to persons entering supervision for the first time. Operationally, such cases are supervised as though their level were 'TBD', which has contact standards similar to the 'Maximum' level, until the Auto Screener is completed. CSP expects this 'Missing' category to be eliminated during FY 2024 when both the Auto Screener and Triage Screener risk assessment systems will be superseded.

Over the course of a period of supervision an offender may cycle through varying levels of supervision, depending on their conduct and compliance. Each level of supervision has specific requirements and contacts with CSP. Accordingly, the more compliant an offender is over time, the less rigorous supervision becomes, depending on their criminal history and the offense of conviction.

A critical factor in CSP's success in reducing the crime rate is its ability to introduce an accountability structure into the supervision process and to provide swift responses to non-compliant behavior. Individuals under supervision must execute an Accountability Contract, a written acknowledgement of their responsibilities and consequences of community supervision under probation, parole, or supervised release, as granted by the SCDC or the USPC.

Strategic Goal 2: Integrate Offenders into the Community by Connecting Them with Resources and Interventions. Establishing effective partnerships with local government service providers and community organizations helps facilitate and enhance the delivery of reintegration services to offenders in the community. CSP's Intergovernmental and Community Affairs Specialists (ICAS) are mobilizing the community, identifying needs and resources, building support for our programs, and establishing relationships with local law enforcement and human services agencies, as well as the faith-based community, businesses, and non-profit organizations. These efforts, formalized in Community Justice Partnerships, Community Justice Advisory Networks (CJANs) and the CSP/Faith-Based Community Partnership, enhance offender supervision, increase community awareness and acceptance of CSP's work, and increase the number of jobs and services available to offenders.

Strategic Goal 3: Strengthen and Promote Accountability by Ensuring Offender Compliance and Cultivating a Culture of Continuous Measurement and Improvement. Close supervision in the community is the basis of effective offender management. Offenders must know that noncompliance with the conditions of their release will bring swift and certain consequences. **Caseload size** is a key factor in a CSO's ability to effectively provide close supervision. CSP is achieving success in this area by reducing individual CSO caseloads and employing a graduated sanctions system that attempts to address noncompliance at the earliest moment.

Prior to the Revitalization Act, supervision caseloads exceeded 100 offenders per supervision officer, far exceeding nationally recognized standards and best practices. Caseload ratios of this magnitude made it extremely difficult for CSOs to acquire thorough knowledge of the offender's behavior and associations in the community, and to apply supervision interventions and swift sanctions. With resources received in prior fiscal years, CSP made great progress in reducing CSO caseloads to more manageable levels, as described below.

On September 30, 2023, CSP supervised 6,431 total offenders, including 4,573 on probation/DSA/CPO and 1,858 offenders on supervised release or parole. The total number of offenders supervised on September 30, 2023, was 6.8 percent smaller than the number of offenders supervised on September 30, 2022 (6,901). CSP anticipated that its caseload would continue to grow in FY 2023 as operations at both the SCDC and the USPC returned to normal. Instead, the caseload contracted, with observed reductions in all supervision types save for CPOs. The two main factors that contributed to the decrease were first: the smaller number of offenders entering the system in FY 2023 (3,808) versus FY 2022 (4,151), and second: the number of offenders exiting the system increased significantly by almost 900 from FY 2022 (3,035) to FY 2023 (3,936).

CSP Supervised Offenders by Supervision Type as of September 30th, FYs 2020 - 2023

Fiscal Year	Probation		Parole		Supervised Release		DSA		CPO		Total
	N	%	N	%	N	%	N	%	N	%	N
2020	4,240	57.9%	835	11.4%	2,007	27.4%	143	2.0%	96	1.3%	7,321
2021	3,332	54.8%	729	12.0%	1,809	29.8%	114	1.9%	92	1.5%	6,076
2022	4,439	64.3%	663	9.6%	1,517	22.0%	174	2.5%	108	1.6%	6,901
2023	4,255	66.2%	507	7.9%	1,351	21.0%	164	2.6%	154	2.4%	6,431

On September 30, 2023, the average number of supervision cases per on-board supervision CSO employee was 36 offenders. This represents a slight decrease in the average caseload per on-board supervision CSO from September 30, 2022 (36.5 offenders) as both the number of supervised offenders and on-board CSOs shrank by 7 percent and 5 percent, respectively.

Fiscal Year	Total Supervised Offenders as of September 30th	On-Board Supervision CSOs*	On-Board CSO Caseload Ratio
2019	8,900	207	43.0:1
2020	7,321	187	39.1:1
2021	6,076	219	27.7:1
2022	6,901	189	36.5:1
2023	6,431	179	35.9:1

*Note: Additional CSO positions perform diagnostic and investigative functions.

CSP assigns caseloads by offender risk, supervision status, and time on supervision (i.e., new cases). This process resulted in the re-allocation of resources to specialized supervision teams. Since FY 2018, CSP realigned existing supervision resources to create seven (7) new High Intensity Supervision Teams (HISTs) performing close supervision of our highest-risk offenders. CSP and national standards propose that CSOs supervising specialized, high-risk cases supervise fewer than 50 offenders due to the intensive case management, standards of care and reporting requirements needed for these offenders. Offender caseload ratios for most of these specialized caseloads are up to 25 offenders per CSO. As a result, increased supervision resources are provided to higher-risk offenders on specialized caseloads, such as HIST, behavioral health, and sex offender teams.

Graduated sanctions are implemented in response to offenders' violations of conditions of release. Graduated sanctions are a critical element of CSP's offender supervision model. A swift response to non-compliant behavior can restore compliance before an offender's behavior escalates to include new crimes. From its inception, the Agency worked closely with the releasing authorities (SCDC and USPC) to develop a range of graduated sanctioning options that CSOs can implement immediately in response to non-compliant behavior without returning offenders to the releasing authority. Offender sanctions are defined in the Accountability Contract established with each offender at the start of supervision. Sanctions reflect both the severity of the non-compliance and the individual's supervision level. Sanction options for technical non-compliance include:

- Increasing the frequency of drug testing or supervision contacts,
- Assignment to Community Service or to CSP Engagement and Intervention Centers (EICs),
- Placement on electronic surveillance, i.e., GPS monitoring, and
- Placement into the RSC.

If sanctions do not restore compliance, the non-compliant behavior escalates, or if the public safety risk cannot be contained with the use of sanctions, the CSO informs the releasing authority about the instances of noncompliance by filing an Alleged Violation Report (AVR). An AVR also is filed with the releasing authorities in response to any new arrest.[3]

GPS monitoring is a supervision tool for CSOs to enforce curfews and stay away orders, as well as to sanction non-compliant behavior. Offenders are generally placed on GPS monitoring as an administrative sanction at the request of their supervision CSO and/or as directed by the releasing authority. As of September 30, 2023, there were 387 offenders subject to GPS monitoring. CSP shares offender GPS data with other law enforcement entities, including the D.C. Metropolitan Police Department (MPD), the U.S. Attorney's Office and the U.S. Marshals Service (USMS), as appropriate.

Drug testing is an essential element of supervision and sanctions. CSP has a zero-tolerance drug use policy. Drug testing identifies offenders who are abusing substances and enables CSOs to determine appropriate sanctions and/or treatment interventions for offenders under supervision, and treatment recommendations for those offenders under CSP pre-sentence or pre-release investigation. Given that over three-fourths of persons entering CSP supervision during FY 2023 had a history of substanceuse, an aggressive drug testing program is necessary to detect drug use and interrupt the cycle of criminal activity related to use. Most offenders are placed on a drug testing schedule, with frequency of testing dependent upon prior substance abuse history, supervision risk level, and length of time under CSP supervision. When drug testing resumed in August 2020 following a four-month suspension prompted by the COVID-19 pandemic, testing was initially limited to the highest-risk offenders. Effective June 2022, all CSP supervisees are eligible, once again, for drug testing.

The connection between substance abuse and crime is well established. Long-term success in reducing recidivism among drug-abusing offenders, who constitute the majority of individuals under supervision, depends upon two key factors:

1. Identifying and treating drug use and other social problems among the offender population; and
2. Establishing swift and certain consequences for violations of release conditions.

CSP is committed to providing a range of treatment options to offenders under supervision. Addressing an individual's substance abuse problem through drug testing and appropriate sanction-based treatment is an essential component to providing the support necessary to establish a productive, crime-free life. CSP also provides in-house adult literacy, vocational and employment counseling, anger management, and life skills training to help offenders develop the skills necessary to sustain themselves in the community.

Behavioral interventions and social services are cornerstones of CSP's strategies for stabilizing offenders and supporting their desistance from criminal behavior. CSP operates the RSC at Karrick Hall, which provides intensive assessment and reintegration programming in a residential setting for high-risk offenders. CSP also contracts with service providers for a range of residential, outpatient, supportive

[3] An AVR is filed with the Superior Court of the District of Columbia in response to any new arrest in every probation case. For supervised release and parole cases, an AVR is filed with the U.S. Parole Commission in response to any new arrest where the Agency is requesting revocation or a modification of release conditions.

housing, and sex offender treatment services using appropriated and grant resources. Contractual treatment also encompasses drug testing and ancillary services, such as mental health screening and assessments, to address the multiple needs of the population. Housing continues to be an essential need for offenders, particularly among the older offender population. Through contract providers, CSOSA focused on increasing the number of available supportive housing beds for its offender population**.** As a result of that initiative, CSP now has nearly 88 short-term housing beds in which it can place offenders who are homeless or living in acutely unstable housing situations. These supportive housing contracts supplement the Agency's pre-treatment residential beds that are available at the RSC as well as the beds that are available through the City and local organizations.

CSP also is committed to helping offenders build skills and support systems using **education and support services** to improve their chances for success in the community. CSP aims to increase employment and improve educational achievement through both in-house service delivery and partnerships. The Agency offers education, employment readiness and employment programs through its EICs and the ICBIU. Once offenders are assessed for these needs, individualized plans are developed. We offer adult basic education and GED preparation services both in-person and virtually using a web application. We also offer transitional employment programs that prepare offenders for training and/or employment and provide job development and tracking.

Strategic Goal 4: Support the Fair Administration of Justice by Providing Timely and Accurate Information to Decision-Makers. One of CSP's key responsibilities is to produce accurate and timely information and to provide meaningful recommendations, consistent with the offender's risk and needs profile, to criminal justice decision-makers. The quality and timeliness of this information has a direct impact on public safety in the District of Columbia.

AVRs inform the releasing authority (SCDC or the USPC) of an alleged violation of release conditions as imposed. As mentioned above, if sanctions do not restore offender compliance, or the non-compliant behavior escalates, supervision CSOs file an AVR. In addition to alerting the court of these technical violations, CSP always files an AVR in response to any re-arrest that includes a new charge or when an offender becomes a loss of contact.

The Courts and the USPC also rely on CSP to provide accurate, timely, and objective pre-sentence and post-sentence investigation (PSI) reports that are used by the Court in sentencing determinations and by the BOP in designating offenders to an appropriate correctional facility. CSOs assigned to CSP's Investigations, Diagnostics, and Evaluations Branch conduct investigations and write thousands of PSI reports each year.

CSP Transitional Intervention for Parole Supervision (TIPS) CSOs ensure that offenders transitioning directly from prison to the community or through a BOP Residential Reentry Center (RRC) receive assessment, counseling, and appropriate referrals for treatment and/or services. TIPS CSOs work with each offender residing in a BOP RRC to develop a Transition Plan prior to release.

Establishing effective partnerships with other criminal justice agencies facilitates close supervision of offenders in the community. The DC MPD, DC Housing Authority Police, Department of Youth Rehabilitation Services (DYRS), PSA, and Family Court Social Services are key players in CSP's public safety goal. Since DC MPD police officers and Housing Authority Police are in the community every day responding to violations of the law and are responsible for arresting individuals, they assist CSP with close supervision. DYRS and Family Court Social Services play important roles in relation to those offenders on CSP supervision who also have active cases in the juvenile justice system. PSA helps CSP with the detection of new charges for offenders already under CSP supervision. Additionally, CSP works closely with the USMS on warrant initiatives and the Agency collaborates with the surrounding jurisdictions on cross-border crime issues.

CSP CSOs and DC MPD officers partner to conduct scheduled or unscheduled (unannounced) Accountability Tours to the homes of high-risk offenders. Accountability Tours are a means to heighten visibility of law enforcement's presence to the offenders and other members of the community.

CSP also partners with the BOP and DC Department of Corrections (DOC) entities to perform video conferencing with offenders prior to their release from a BOP institution. The video conferencing provides the offenders with orientation and release preparation prior to release to CSP supervision.

CSP Key Performance Indicator 1 - Rearrest:

Rearrest is a commonly used indicator of criminal activity among offenders on supervision, though it does not in itself constitute recidivism (defined as a return to incarceration).

During the pandemic, the percentage of CSP's Total Supervision Population (TSP) with rearrests decreased from FY 2019 to FY 2021. However, starting in FY 2022 and continuing in FY 2023, there is a slow rebound trend to pre-pandemic levels forming in the number of rearrests across the TSP. In detail, as of September 30, 2023, 13.8 percent of CSP's FY 2023 TSP had been rearrested in DC for new charges, which is similar to rates from FY 2022 (13.6 percent), and FY 2021 (13.3 percent), though still 2.6 percentage points lower than the (pre-pandemic) FY 2019 rate. Generally, offenders on supervised release are consistently rearrested at a higher rate than parolees and probationers. This trend continued into FY 2023 with one-fourth of supervised releasees rearrested as of September 30, 2023 (D.C., MD, and VA; all charges considered), demonstrating the necessity for us to continue allocating resources to address the criminogenic needs of this particular risk group.

Percentage of Total Supervised Population Rearrested, FY 2019 - FY 2023

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Probation*					
DC Arrests	19.5%	17.7%	14.7%	16.5%	17.0%
DC Arrests (new charges)**	15.4%	14.0%	12.1%	13.4%	13.6%
DC/MD/VA Arrests	21.8%	19.9%	16.7%	18.9%	19.5%
Parole					
DC Arrests	17.3%	15.2%	11.3%	9.5%	12.4%
DC Arrests (new charges)**	12.8%	9.6%	7.5%	6.4%	8.2%
DC/MD/VA Arrests	19.0%	16.3%	11.9%	10.4%	13.1%
Supervised Release					
DC Arrests	30.5%	25.3%	25.2%	22.9%	22.7%
DC Arrests (new charges)**	20.7%	17.4%	18.3%	17.3%	16.3%
DC/MD/VA Arrests	32.4%	26.7%	27.1%	24.8%	25.4%
Total Supervised Population					
DC Arrests	21.7%	19.3%	17.1%	17.3%	17.8%
DC Arrests (new charges)**	16.4%	14.4%	13.3%	13.6%	13.8%
DC/MD/VA Arrests	23.9%	21.2%	18.9%	19.5%	20.2%

*Includes offenders with Deferred Sentencing Agreements (DSA) and individuals with Civil Protection Orders (CPO).

**Excludes arrests made for parole or probation violations.

Computed as the number of unique offenders arrested in reporting period as a function of total number of unique offenders supervised in the reporting period.

CSP Performance Indicator 2 - Drug Use:

CSP uses drug testing to monitor both the offender's compliance with the releasing authority's requirement to abstain from drug use (which may also include alcohol use) and to assess the offender's level of need for substance abuse treatment. Due to the COVID-19 pandemic, CSP drug collection sites closed on March 25, 2020, and resumed limited drug testing at two collection sites in July 2020. During FY 2022, CSP expanded drug testing operations to Saturdays and resumed drug testing at the RSC.

Offenders are initially drug tested at intake. Thereafter, offenders are placed on a regular drug testing schedule with the frequency of testing conditioned on several factors such as indicators of substance use (including the results of their intake test), supervision risk level, and length of supervision period. Over the course of supervision, an offender's drug-testing schedule may be modified in response to considerations such as their test results or changes in their assessed risk. An offender's drug-testing schedule may also be suspended for a variety of administrative reasons, including a change in supervision status from active to monitored or warrant, the offender's case transferring from the District to another jurisdiction, a rearrest, or admission to a substance abuse treatment program (at which point testing is conducted by the treatment provider). CSP also spot tests offenders on minimum supervision, as well as those who do not have histories of drug use and who have established a record of negative tests.

CSP collected an average of 6,152 samples from 2,512 offenders each month of FY 2023. Collection took place at two CSP substance collection unit sites and the RSC. PSA tests CSP drug samples for up to twelve substances (Marijuana, PCP, Opiates, Methadone, Cocaine, Amphetamines, Creatinine, Heroin, ETG, Synthetic Cannabinoids, Alcohol, and Fentanyl). Drug testing results are transmitted electronically from PSA into CSP's SMART system daily, so they are available for CSO action within 48 hours after collection. In FY 2015, CSP reduced marijuana testing for most probationers due to changes in the District of Columbia's law but continues to test parolees and supervised releasees for marijuana.

Of the tested population in FY 2023, 48.0 percent tested positive for illicit drugs (excluding alcohol) at least one time, which is about fourteen percentage points higher than FY 2021 (when 34.5 percent tested positive). This increase may reflect a return to positive test rates similar to those observed prior to the COVID-19 pandemic.

Percentage of Active Tested Population Reporting at least One Positive Drug Test, FY 2018 - FY 2023

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Tests including alcohol	60.5%	55.7%	45.5%	36.8%	69.7%	70.6%
Tests excluding alcohol	56.9%	51.4%	41.3%	34.5%	42.6%	48.0%

The percentage of offenders testing positive for marijuana and synthetic cannabinoids decreased considerably over the past year. Tests for cocaine, opiates, heroin, and amphetamines yielded a lower percentage of positive results in FY 2023 as compared to FY 2022.

CSP addresses high-risk offenders who consistently test positive for drugs by initiating actions to remove them from the community through placement in residential treatment or through sanctions. CSP will continue to monitor drug use trends and their implications for drug testing procedures to ensure that tests are conducted in a manner that most effectively detects and deters use for persons under community supervision.

Substances Used by Offenders Drug Testing Positive, FY 2018 - FY 2023

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Marijuana	62.1%	57.7%	46.7%	57.4%	36.5%	21.3%
Cocaine	29.4%	32.1%	32.6%	20.1%	30.0%	21.0%
PCP	15.4%	17.3%	17.4%	18.5%	18.8%	12.6%
Synthetic Cannabinoids	9.9%	7.4%	8.3%	12.1%	6.7%	4.4%
Opiates	21.3%	22.1%	22.2%	10.5%	17.8%	9.8%
Methadone	2.3%	2.8%	3.3%	4.5%	3.2%	1.9%
Heroin	5.8%	7.2%	7.4%	3.0%	5.5%	2.7%
Amphetamines	3.8%	5.6%	4.4%	2.7%	6.8%	5.6%

Note: CSP tests each offender sample for up to eleven substances, including alcohol, ETG and creatinine. Each sample is typically tested for only some of the eleven substances.

Note: Column data are not mutually exclusive. Examples: One offender testing positive for marijuana and PCP during FY 2022 will appear in the data row/percentage for both marijuana and PCP. One offender who tests positive for only marijuana on multiple occasions throughout FY 2022 will count as a value of one in the data row/percentage for marijuana.

Quality and Reliability of CSP Performance Data

Considering the importance of maintaining accurate records of all offenders under CSP supervision, the Agency has always prioritized the design and deployment of the SMART offender case management system. SMART was first deployed in January 2002 and updated and re-deployed in October 2021. In FY 2009, CSP transitioned from reporting performance data from a copy of the SMART database, to reporting data from our fully implemented Enterprise Data Warehouse (EDW) system, which yielded significant improvements for both accessing data and the quality of the performance measures.

Pretrial Services Agency

PSA's *mission* is to promote pretrial justice and enhance community safety.

Its *vision* is to thrive as a leader within the justice system through a diverse, inclusive, and empowered workforce that embodies integrity, excellence, accountability, and innovation in the delivery of the highest quality services.

<u>Strategic Goals</u>

PSA's Strategic Plan sets forth the Agency's priorities, goals and objectives that cascade throughout all levels of the organization to guide our work in achieving our mission of promoting pretrial justice and enhancing community safety while striving for efficient Agency administration. Agency leaders use this Plan to drive resource allocations, thereby empowering employees to transform strategies into actions and measurable results. Progress on our goals and objectives is measured using a comprehensive set of key performance indicators (KPIs) and regularly reviewed with staff at all levels of the organization. These reviews promote thoughtful discussion on Agency advancement, highlighting areas of success and helping staff to identify opportunities for improvements and adjustments.

PSA's FYs 2022–2026 Strategic Plan is composed of four strategic goals and one management objective that outline the long-term outcomes we plan to achieve (see Figure #6). The four strategic goals focus on effective mission accomplishment, and the management objective focuses on efficient Agency administration. The four strategic goals are supported by specific objectives essential to our success. Key strategies outline how we will achieve our objectives and the performance indictors measure progress toward our goals.

PSA's preliminary performance results are shown below.* To mitigate the residual effects of COVID-19, the Agency has continued to use innovative supervision and management practices. At the same time, the Agency deployed a risk-based-services model in April 2023, which will allow PSA to customize release conditions and supervision based on each defendant's assessed risk levels for *failure to appear* and *rearrest*. This evolution demonstrates the Agency's commitment to continuous improvement and will assure PSA remains a leader among pretrial services agencies.

Performance Indicator		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023*	FY 2023
Performance Description		**Actual**	**Actual**	**Actual**	**Actual**	**Actual**	**Target**
Strategic Goal 1	Judicial Concurrence with PSA Recommendations	78%	79%	84%	76%	69% 🔴	**70%**
Strategic Goal 2	Continued Pretrial Release	87%	85%	89%	89%	84% 🔴	**85%**
Strategic Goal 3	Arrest Free Rate	87%	88%	90%	93%	92% 🟢	**88%**
	(Violent Crimes)	99%	99%	98%	99%	99% 🟢	**97%**
Strategic Goal 4	Court Appearance Rate	88%	91%	92%	89%	87% 🟢	**87%**

* All metrics are subject to PSA's year-end data verification and validation process. Final figures will be available 45 days after the end of the fiscal year.

Overall Performance by Strategic Goal

STRATEGIC GOAL 1: JUDICIAL CONCURRENCE WITH PSA RECOMMENDATIONS

PSA promotes the fair administration of justice by recommending the least restrictive release conditions to reasonably assure community safety and return to court. To support judicial decisions, PSA provides a Pretrial Services Report (PSR), which contains a summary of each defendant's criminal history and demographic information, as well as recommended release conditions designed to mitigate the risk of failure to appear in court and rearrest during the pretrial period. To gauge the degree to which our recommendations align with the judiciary's orders, we implemented a measure assessing the extent to which judges concur with and implement PSA's initial release conditions.

Strategic Objective 1.1 Risk Assessment

To gauge the quality of the information provided to judges for decision making, PSA implemented a measure of PSR completeness. A PSR is considered "complete" when it contains defendant interview responses (or documented refusal thereof), lockup drug test results, criminal history, and release condition recommendations based on a risk assessment score, prior to the case being called in court.

STRATEGIC GOAL 2: CONTINUED PRETRIAL RELEASE

Allowing defendants to safely remain in the community while awaiting trial is an important component of an effective pretrial system. During the pretrial period, PSA undertakes efforts to address and resolve non-compliant behavior to help achieve the goal of continued community presence. To gauge the effectiveness of our supervision services, we implemented a measure of continued pretrial release, which examines the rate at which defendants remain on release without revocation or a pending request for revocation due to non-compliance.

Strategic Objective 2.1 Effective Case Management

Case management is an individualized approach for securing, coordinating, and monitoring the appropriate risk-based services necessary to help each defendant successfully comply with release conditions. To gauge the effectiveness of defendant case management, PSA implemented a measure of defendant compliance at case disposition.

STRATEGIC GOAL 3: MINIMIZE REARREST

PSA supervision is designed to mitigate defendant risk, address needs that may impact defendant success on supervision and help defendants remain arrest-free. To gauge our effectiveness in minimizing rearrests, we implemented a measure of the arrest-free rate.

Strategic Objective 3.1 Risk-Based Services

PSA focuses supervision resources on defendants most at risk of violating their release conditions and uses graduated levels of supervision and pro-social interventions to promote compliance.

PSA's supervision strategies include imposing swift, consistent and graduated responses for non-compliance with release conditions and providing appropriate incentives for defendants who consistently comply.

To gauge the effectiveness of our supervision strategies, we implemented measures to evaluate the rate of our response to defendant misconduct.

Strategic Objective 3.2 Assessment-Driven Treatment

An effective approach for minimizing rearrests during the pretrial period is addressing underlying issues that may impact a defendant's success on supervision, such as SUD and mental health treatment needs. After a formal assessment is conducted and a need identified, PSA provides—either through contract services or referral—appropriate behavioral health services aligned with risk-based priority.

Treatment for substance use and/or mental health disorders is provided as a component of, and never as a substitute for, PSA's robust supervision protocols. Defendants with behavioral health treatment needs are assigned to supervision units that provide services based on both risk and need. In addition to appropriate treatment, defendants placed in these units have release conditions to support compliance, including substance use testing, regular supervision contact, and treatment program participation. To gauge the effectiveness of these interventions, we measure defendant referral, assessment, and placement in treatment programs.

STRATEGIC GOAL 4: MAXIMIZE COURT APPEARANCE

The strategic goal of maximizing court appearance is one of the most basic outcome measures for pretrial programs. Within PSA, this strategic goal is measured by the defendant appearance rate, which indicates the percentage of defendants on pretrial release who make all scheduled court appearances.

Strategic Objective 4.1 Court Appearance Notifications

To minimize failures to appear, defendants are notified of upcoming court dates using their preferred method of notification. An automatic hierarchy is then generated for notifications to the defendant (e.g., email, text messages, and letters) based on the defendant's preference. An analysis of court appearance notification methods suggests that text messages are the most effective in yielding the highest court appearance rates. To gauge the effectiveness of the notification process, we implemented *Court Appearance Rate* as a measure.

F. Analysis of Agency Financial Statements

The Accountability of Tax Dollars Act of 2004 (P.L. 107-289), Office of Management and Budget (OMB) Circular A-136 (Financial Reporting Requirements), and the Agency's AFR Policy require CSOSA to prepare and submit audited financial statements and interim financial statements.

The CSOSA financial statements report the financial position of the CSP and PSA entities. The financial statements have been prepared to report the financial position and results of operations of CSOSA, pursuant to requirements of 31 U.S.C. 3515(b). The financial statements and notes are included in a separate section of this document.

CSP and PSA are each responsible for their own financial transactions, however, CSP compiles reports from each entity in preparing CSOSA's FY 2023 and 2022 financial statements for the Agency as a whole. Preparation of interim and audited CSOSA financial statements is the joint responsibility of CSP and PSA management.

The FY 2023 CSOSA financial statements report appropriated and reimbursable budget authority.

CSOSA's largest asset is Fund Balance with U.S. Treasury which totaled $190,173,159 and $178,309,125 as of September 30, 2023, and 2022, respectively. This represented 89 percent and 86.7 percent of total assets as of September 30, 2023, and 2022, respectively. The Fund Balance with U.S. Treasury represents all appropriated and reimbursable funds (including grant resources) CSOSA has on account with Treasury to make expenditures and pay liabilities.

Actuarial FECA Liability, Accrued Payroll & Benefits, and Accrued Unfunded Liabilities are CSOSA's largest liabilities, with combined amounts totaling $26,221,634 and $26,865,851, as of September 30, 2023, and 2022, respectively. Collectively they comprised 83.7 percent and 87.0 percent of total liabilities, as of September 30, 2023, and 2022, respectively.

CSOSA's FY 2023 Statement of Budgetary Resources (SBR) provides information about how budgetary resources were made available as well as their status at the end of the period. Budgetary resources include, but are not limited to, new FY 2023 budget authority, unobligated balances of the five prior fiscal years (FY 2018 – 2022) as of October 1, 2022, recoveries of prior year obligations, and any adjustments to these resources.

CSOSA has FY 2023 reimbursable budget authority from the following sources:

1) CSP reimbursable agreement with the D.C. Public Defender Service for shared occupancy costs at 633 Indiana, Avenue, NW.
2) PSA reimbursable agreements with SCDC and D.C. Child and Family Services for drug testing services and an agreement with the National Endowment for the Arts for a detailee.

The SBR reports Total Budgetary Resources of $371,317,205 and $330,475,093 as of September 30, 2023, and 2022, respectively. These amounts include FY 2023 Budgetary Authority of $285,016,000 in direct annual funding and $263,378 in net reimbursable transactions as of September 30, 2023, and $286,426,000 in FY 2022 direct annual funding and ($56,313) in net reimbursable transactions as of September 30, 2022.

Total Obligations Incurred is $274,905,484 and $260,953,225 as of September 30, 2023, and 2022, respectively. CSOSA's FY 2023 Statement of Budgetary Resources shows $ 260,936,728 in net outlays, an increase of $27,526,574 from the previous year's total net outlays of $233,410,154.

The Net Cost of Operations in FY 2023 was $ $281,829,390 on CSOSA's Statement of Net Cost, an increase of $27,980,485 compared to the previous year's Net Cost of Operations of $253,848,905.

G. Analysis of Systems, Controls, and Legal Compliance

Federal Managers' Financial Integrity Act

The Federal Managers' Financial Integrity Act (FMFIA, P.L. 97-255) and Office of Management and Budget Circular (OMB) A-123, Management Accountability and Control, require federal agencies to conduct ongoing evaluations of the adequacy of the systems of internal accounting and administrative control, and report yearly to the President all material weaknesses found through these evaluations. The FMFIA also requires the heads of agencies to provide the President with yearly assurance that obligations and costs comply with applicable law; resources are efficiently and effectively allocated for duly authorized purposes; funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and managers and employees demonstrate personal integrity, ethics, competence, and effective communication.

To provide this report and assurance to the President, the CSOSA Director depends on information from component heads regarding their management controls. CSP's Office of Investigations, Compliance, and Audits conducted an internal review with component heads and program staff of the adequacy of internal controls in August – October 2023. As a result of responses to this review, the CSOSA Director provides unqualified assurance that the Agency's management controls and financial systems meet the objectives of Sections 2 (Programmatic Controls) and 4 (Financial Controls) of the FMFIA for FY 2023. No material weaknesses were found in the design or operation of internal controls over financial reporting.

Federal Financial Management Improvement Act

In July 2007, CSOSA migrated to Oracle Federal Financials (Oracle), operated by the Department of the Interior's Interior Business Center (IBC). CSOSA uses Oracle to perform, control, and report general ledger, funds management, purchasing, and payment management processes.

The Federal Financial Management Improvement Act (FFMIA, P.L. 104-208) and OMB Circular A-127, Financial Management Systems, require federal agencies to assess compliance with Federal financial management systems requirements, standards promulgated by Federal Accounting Standards Advisory Board (FASAB), and the U.S. Standard General Ledger (USSGL) at the transaction level.

An independent auditor's (KPMG LLP) examination of IBC's systems for operating and hosting Oracle for the period of July 1, 2021 – June 30, 2023 resulted in the auditor's opinion that in all material respects, based on the criteria described in IBC's assertion: (1) the description fairly presents the systems that were designed and implemented throughout the periods July 1, 2022 to June 30, 2023 and (2) the controls related to the control objectives stated in the description were suitably designed to provide reasonable assurance that the control objectives would be achieved if the controls operated effectively throughout the periods July 1, 2022, to June 30, 2023. IBC provided subsequent representations and assurances that these Oracle financial application controls remained in place through September 30, 2023.

Based on the KPMG opinion referenced above, and CSOSA's experience with Oracle, the CSOSA Director provides assurance that during FY 2023 the organization's financial management system complied with Federal financial management systems requirements, standards promulgated by FASAB, and the USSGL at the transaction level.

Legal Compliance

CSOSA ensures compliance with the Anti-Deficiency Act (31 U.S.C.) by implementing budgetary procedures and financial management system controls preventing over-obligation or over-expenditure of authorized, allowable and/or available funds. CSOSA did not violate Anti-Deficiency Act requirements in FY 2023.

CSOSA complies with the Debt Collection Improvement Act of 1996 (P.L. 104-134) by implementing supplier registration and maintenance controls within the financial management system ensuring that vendors are properly registered and compliant with the United States Treasury Department. Payments made by CSOSA to suppliers with delinquent debts owed to the United States Government may be collected by the United States Treasury Department.

The Digital Accountability and Transparency Act of 2014 (DATA Act, P.L. 113-101) requires federal agencies to report financial and award data in accordance with Government-wide financial data standards. CSOSA reviewed and certified DATA Act information in a timely manner on a quarterly basis in FY 2023.

CSOSA complies with the Payment Integrity Information Act Of 2019 (PIIA) by implementing the Risk Assessment of erroneous payments requirements and the Do Not Pay (DNP) list review requirements of the ACT.

H. Forward Looking Information

Other than the activities already identified in this report, there are no other known or anticipated risks, uncertainties, future events or conditions, or trends that could significantly impact the future financial position, condition, or operating performance of CSOSA.

I. Limitations of the Financial Statements

The principal financial statements have been prepared to report CSOSA's financial position and results of operations, pursuant to the requirements of 31 U.S.C. 3515 (b). While the statements have been prepared from the books and records of the entity in accordance with GAAP for Federal entities and the formats prescribed by OMB, the statements are in addition to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records.

The statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity.

AFR Section II: Financial Section

A. Message from the Chief Financial Officer

I am pleased to announce that CSOSA has earned an unmodified audit opinion on its financial statements from an independent public accountant. This opinion states that the financial statements are reported fairly in accordance with U.S. generally accepted accounting principles and are free of material misstatements. The FY 2023 auditor’s report on internal controls over financial reporting did not identify any material weaknesses.

CSOSA recognizes the Government-wide funding constraints under which we currently operate. We continue to review and implement methods to operate more efficiently to ensure taxpayer funds are used wisely in support of our law enforcement functions in the District of Columbia. CSOSA is committed to sound financial management controls and effective use of resources, and we look forward to continuing these practices in FY 2024.

Paul Girardo
Chief Financial Officer
November 15, 2023

B. FY 2023 Auditors' Report

Harper, Rains, Knight & Company

Independent Auditors' Report

Director
Court Services and Offender Supervision Agency

Report on the Audit of the Financial Statements

Opinion

In accordance with the Accountability of Tax Dollars Act, we have audited the financial statements of the Court Services and Offender Supervision Agency (CSOSA). CSOSA's financial statements comprise the balance sheets as of September 30, 2023, and 2022, and the related statements of net cost, changes in net position, and budgetary resources for the fiscal years then ended, and the related notes to the financial statements.

In our opinion, CSOSA's financial statements present fairly, in all material respects, CSOSA's financial position as of September 30, 2023, and 2022, and its net cost of operations, changes in net position, and budgetary resources for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* GAGAS), issued by the Comptroller General of the United States and Office of Management and Budget (OMB) Bulletin No. 24-01, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 24-01 are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CSOSA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

CSOSA's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; preparing, measuring, and presenting the Required Supplementary Information (RSI) in accordance with accounting principles generally accepted in the United States of America; preparing and presenting other information included in documents containing the audited financial statements and auditors' report, and ensuring the consistency of that information with the audited financial statements and the RSI; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to (1) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and (2) issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance, and therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement or a material weakness when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, GAGAS, and OMB Bulletin No. 24-01, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CSOSA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Perform other procedures we consider necessary in the circumstances.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America issued by the Federal Accounting Standards Advisory Board (FASAB) require that the information in the Management's Discussion and Analysis be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by FASAB who considers this information to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with GAAS, which consisted of (1) inquiries of management about the methods of preparing the RSI and (2) comparing the information for consistency with management's responses to the auditors' inquiries, the financial statements, and other knowledge we obtained during the audit of the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit, and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on CSOSA's financial statements. The information in the Agency Head Message, Message from the Chief Financial Officer, and Other Information section contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. Management is responsible for the Other Information. Our opinion on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audits of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

Report on Internal Control over Financial Reporting

In planning and performing our audit of CSOSA's financial statements as of and for the year ended September 30, 2023, in accordance with GAGAS, we considered CSOSA's internal control relevant to the financial statement audit as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CSOSA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of CSOSA's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies or to express an opinion on the effectiveness of CSOSA's internal control over financial reporting. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we considered to be material weaknesses. However, material weaknesses and significant deficiencies may exist that have not been identified.

During our 2023 audit, we identified a deficiency in CSOSA's internal control over financial reporting that we do not consider to be a material weakness or significant deficiency. Nonetheless, this deficiency warrants CSOSA management's attention. We have communicated this matter to CSOSA management and, where appropriate, will report on them separately.

Report on Internal Control over Financial Reporting (continued)

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, the objectives of which are to provide reasonable assurance that (1) transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and (2) transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

As part of obtaining reasonable assurance about whether CSOSA's financial statements are free from material misstatement, we performed tests of its compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements that have a direct effect on the determination of material amounts and disclosures in CSOSA's financial statements, and to perform certain other limited procedures, but not for the purposes of expressing an opinion on CSOSA's compliance with applicable laws, regulations, contracts, and grant agreements. Accordingly, we do not express such an opinion. We did not test compliance with all laws, regulations, contracts, and grant agreements applicable to CSOSA. CSOSA management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to the entity.

Our tests of compliance with these selected provisions of applicable laws, regulations, and contracts, and grant agreements disclosed no instances of noncompliance for the year ended September 30, 2023, that would be reportable under GAGAS or OMB Bulletin No. 24-01. We caution that noncompliance may occur and not be detected by these tests.

Purpose of the Other Reporting Required by Government Auditing Standards

The purpose of the communication described in the Other Reporting Required by *Government Auditing Standards* is solely to describe the scope of our testing of internal control and compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on the effectiveness of CSOSA's internal control or compliance. These reports are an integral part of an audit performed in accordance with GAGAS and OMB Bulletin No. 24-01 in considering the entity's internal control and compliance. Accordingly, these reports are not suitable for any other purpose.

Harper, Rains, Knight & Company, P.A.

November 15, 2023
Washington, D.C.

C. FY 2023 Financial Statements

Court Services and Offender Supervision Agency
Balance Sheets
As of September 30, 2023 and 2022
(In Dollars)

	2023	2022
Assets		
Intragovernmental		
Fund Balance with Treasury - Note 2	$ 190,173,159	$ 178,309,125
Accounts Receivable - Federal - Note 3	41,086	8,213
Advances and Prepayments	137,440	
With The Public		
Accounts Receivable - Note 3	5,012	12,931
Property, Plant and Equipment - Note 4	23,379,142	27,248,232
Total Assets	**$ 213,735,839**	**$ 205,578,501**
Liabilities		
Intragovernmental Liabilities:		
Accounts Payable	$ 116,684	$ 651,932
Accrued Payroll & Benefits	3,122,399	3,015,743
Accrued Unfunded FECA Liabilities	282,624	410,935
With The Public		
Accounts Payable	4,696,140	2,935,248
Accrued Payroll & Benefits	8,964,012	9,184,427
Actuarial FECA Liability	1,656,811	1,885,444
Accrued Unfunded Liabilities	12,478,412	12,780,237
Total Liabilities - Note 5	**$ 31,317,082**	**$ 30,863,966**
Net Position		
Unexpended Appropriation	$ 172,475,071	$ 161,597,323
Cumulative Results of Operations	9,943,686	13,117,212
Total Net Position	**$ 182,418,757**	**$ 174,714,535**
Total Liabilities and Net Position	**$ 213,735,839**	**$ 205,578,501**

The accompanying notes are an integral part of these financial statements

Court Services and Offender Supervision Agency
Statements of Net Cost
For The Periods Ended September 30, 2023 and 2022
(In Dollars)

	2023	2022
Reduce Recidivism		
Total Cost	$ 39,111,839	$ 32,332,001
Earned Revenue	(46,220)	(42,128)
Net Program Costs	39,065,619	32,289,873
Integration		
Total Cost	31,394,107	27,785,510
Earned Revenue	(37,099)	(36,204)
Net Program Costs	31,357,008	27,749,306
Accountability		
Total Cost	99,069,150	92,302,722
Earned Revenue	(117,073)	(120,268)
Net Program Costs	98,952,077	92,182,454
Fair Administration of Justice		
Total Cost	31,518,681	29,176,329
Earned Revenue	(37,247)	(38,016)
Net Program Costs	31,481,434	29,138,313
Judicial Concurrence with PSA Recommendations		
Total Cost	19,661,579	17,634,167
Earned Revenue	(10,665)	(1,695)
Net Program Costs	19,650,914	17,632,472
Continued Pretrial Release		
Total Cost	18,892,859	16,875,707
Earned Revenue	(10,248)	(1,622)
Net Program Costs	18,882,611	16,874,085
Minimize Rearrest		
Total Cost	21,101,158	18,877,675
Earned Revenue	(11,446)	(1,814)
Net Program Costs	21,089,712	18,875,861
Maximize Court Appearance		
Total Cost	21,361,602	19,108,377
Earned Revenue	(11,587)	(1,836)
Net Program Costs	21,350,015	19,106,541
Total Cost	282,110,975	254,092,488
Total Revenue	(281,585)	(243,583)
Total Net Cost	**$ 281,829,390**	**$ 253,848,905**

The accompanying notes are an integral part of these financial statements

Court Services and Offender Supervision Agency
Statements of Changes in Net Position
For The Periods Ended September 30, 2023 and 2022
(In Dollars)

	2023	2022
Unexpended Appropriations	**$ 161,597,323**	**$ 123,695,542**
Appropriations Received	285,016,000	286,426,000
Canceled Funds	(12,225,267)	(11,390,494)
Appropriations Used	(261,912,985)	(237,133,725)
Change in Unexpended Appropriations	10,877,748	37,901,781
Total Unexpended Appropriations	**172,475,071**	**161,597,323**
Cumulative Results of Operations		
Beginning Balance	13,117,212	19,390,625
Appropriations Used	261,912,985	237,133,725
Imputed Financing - Note 8	16,742,879	10,441,767
Net Cost of Operations	281,829,390	253,848,905
Change in Cumulative Results of Operations	(3,173,526)	(6,273,413)
Total Cumulative Results of Operations	**9,943,686**	**13,117,212**
Net Position	**$ 182,418,757**	**$ 174,714,535**

The accompanying notes are an integral part of these financial statements

Court Services and Offender Supervision Agency
Statements of Budgetary Resources
For The Periods Ended September 30, 2023 and 2022
(In Dollars)

	2023	2022
Budgetary Resources		
Unobligated balance from prior year budget authority, net (discretionary and mandatory)	86,037,827	44,105,406
Appropriations (discretionary and mandatory)	285,016,000	286,426,000
Spending authority from offsetting collections (discretionary and mandatory)	263,378	(56,313)
Total Budgetary Resources	**$ 371,317,205**	**$ 330,475,093**
Status of Budgetary Resources		
New obligations and upward adjustments (total)	274,905,484	260,953,225
Unobligated balance, end of year;		
Apportioned, unexpired account	11,301,372	18,682,194
Unapportioned, unexpired accounts	22,510,000	12,579,000
Unexpired unobligated balance, end of year	33,811,372	31,261,194
Expired unobligated balance, end of year	62,600,349	38,260,674
Unobligated balance, end of year (total)	96,411,721	69,521,868
Total Budgetary Resources	**$ 371,317,205**	**$ 330,475,093**
Outlays, net:		
Outlays, net (total) (discretionary and mandatory)	260,936,728	233,410,154
Distributed offsetting receipts (-)	-	-
Agency outlays, net (discretionary and mandatory)	**$ 260,936,728**	**$ 233,410,154**

The accompanying notes are an integral part of these financial statements

D. Notes to the FY 2023 Financial Statements
Note 1: Summary of Significant Accounting Policies:

Description of Entity

The Court Services and Offender Supervision Agency (CSOSA) for the District of Columbia was established in 2000 as an independent Federal agency, by the National Capital Revitalization and Self-Government Improvement Act (the Act). Pursuant to the Act, CSOSA assumed the District of Columbia's (D.C.) pretrial services, adult probation, and parole supervision functions. CSOSA's mission is to increase public safety, prevent crime, reduce recidivism, and support the fair administration of justice in close collaboration with the community.

Most of the Agency's funding comes from appropriations. Additional authority is provided through Interagency Agreements. This additional funding consists of reimbursable work performed by CSOSA on behalf of the requesting entity.

The CSOSA appropriation supports both the CSP and PSA.

In FY 2023, the Agency was appropriated $285,016,000 from Congress (P.L. 117-328).

	Annual Appropriation	Multi-Year Appropriation	TOTAL FY 2023	TOTAL FY 2022
CSP	$196,781,000	$7,798,000	$204,579,000	$206,006,000
PSA	79,439,000	998,000	80,437,000	80,420,000
Total	$276,220,000	$8,796,000	$285,016,000	$286,426,000

Basis of Presentation

These financial statements have been prepared from the accounting records of CSOSA in conformance with U.S. generally accepted accounting principles (GAAP) and the form and content for entity financial statements specified by the Office of Management and Budget (OMB) in revised Circular No. A-136, *Financial Reporting Requirements*. GAAP for federal entities are the standards prescribed by the Federal Accounting Standards Advisory Board (FASAB), which is the official body for setting the accounting standards of the U.S. government.

Accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information. Accordingly, modifications may have been made to certain presentations and disclosures.

Basis of Accounting

Transactions are recorded on an accrual and a budgetary basis of accounting. Under the accrual basis, revenues are recorded when earned and expenses are recorded when incurred, regardless of when cash is exchanged. Under the federal budgetary basis of accounting, funds availability is recorded based upon legal considerations and constraints. Budget authority is the authority provided by federal law to incur financial obligations that will result in outlays or expenditures.

Note 1: Summary of Significant Accounting Policies (cont.)

Revenues and Other Financing Sources

CSOSA receives most of the funding needed to support its programs through Congressional appropriations. CSOSA receives an annual appropriation that may be used, within statutory limits, for operating and capital expenditures. Additional funding is provided through Interagency Agreements. Revenues are recognized at the time related program or administrative expenses are incurred. CSOSA reviews and classifies inter-agency agreements as either exchange or transfers-in based on the nature of the agreement.

Fund Balance with Treasury

Funds with the Treasury represent primarily appropriated funds available to pay current liabilities and finance future authorized purchases. The Treasury, as directed by authorized certifying officers, processes receipts and disbursements on behalf of CSOSA. CSOSA does not maintain cash in commercial bank accounts nor does CSOSA maintain an imprest fund.

Accounts Receivable

Accounts receivable consists of receivables and reimbursements due from Federal agencies and others. Generally, intragovernmental accounts receivable is considered fully collectible based on historical precedent.

Property, Plant and Equipment

Property, plant, and equipment is recorded at cost and is depreciated using the straight-line method over the useful life of the asset, when the estimated useful life of an asset is two or more years. Leasehold improvements are capitalized when the improvements are made and amortized over the remaining term of the lease agreement. CSOSA established capitalization thresholds of $100,000 for leasehold improvements and $25,000 for equipment. Other property items, normal repairs, and maintenance are expensed as incurred. CSOSA follows SFFAS 10 for capitalization of software in the development phase. Internal use software is capitalized when developmental phase costs or enhancement costs are $500,000 or more and the asset has an estimated useful life of two or more years.

New Accounting Standards

CSOSA will be implementing the new accounting standard, Statement of Federal Financial Accounting Standards 54: Leases (SFFAS 54), which is effective beginning in FY 2024. The effects of implementing SFFAS 54 have not yet been determined. All required changes will be prospective and prior-period adjustments will not be expected.

Advances and Prepayments

Payments in advance of the receipt of goods and services are recorded as prepaid charges at the time of prepayment and are recognized as expenditures/expenses when the related goods and services are received.

Note 1: Summary of Significant Accounting Policies (cont.)

Liabilities

Liabilities represent the monies or other resources that are likely to be paid by CSOSA as the result of a transaction or event that has already occurred. However, no liability can be paid absent the proper budget authority. Liabilities that are not funded by the current year appropriation are classified as liabilities not covered by budgetary resources.

Contingencies and Commitments

CSOSA is a party to various administrative proceedings, legal actions, and claims. A liability is recognized as an unfunded liability for any legal actions where unfavorable decisions are considered "probable" and an estimate for the liability can be made. Contingent liabilities that are considered "reasonably possible" are disclosed in the notes to the financial statements. Liabilities that are considered "remote" are not recognized in the financial statements or disclosed in the notes to the financial statements.

Annual, Sick and Other Leave

Annual and compensatory leave is accrued, as an unfunded liability, as it is earned. Each year the accrued unfunded annual leave liability account is adjusted to reflect the current unfunded leave earned and the current pay rates. To the extent current or prior year appropriations are not available to fund annual and compensatory leave earned, funding will be obtained from future financing sources. Sick leave and other types of non-vested leave are expensed as taken.

Interest on Late Payments

Pursuant to the Prompt Payment Act, 31 U.S.C. 3901-3907, CSOSA pays interest on payments for goods or services made to business concerns after the due date. The due date is generally 30 days after receipt of a proper invoice or acceptance of the goods or services, whichever is later.

Retirement Plans

CSOSA participates in the retirement plans offered by the Office of Personnel Management (OPM) and does not maintain any private retirement plans. CSOSA employees participate in either the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS). For employees covered by the CSRS, CSOSA contributes 7.0 percent of the employees' gross pay for normal retirement and 7.5 percent for law enforcement retirement. For employees covered by the FERS, FY 2023 contribution rates have changed from the FY 2022 rates. For FY 2023, the percentage that CSOSA contributes increased from 18.4 percent to 22.4 percent of employees' gross pay for normal retirement and from 37.6 percent to 47.4 percent for law enforcement retirement. For FERS-RAE and FERS-FRAE the percentage that CSOSA contributes increased from 16.6 percent to 22.9 for FERS-RAE and 23.2 percent for FERS-FRAE for normal retirement and from 35.8 percent to 48.1 percent for FERS-RAE and 48.4 percent for FERS-FRAE for law enforcement retirement. All employees are eligible to contribute to the Federal Thrift Savings Plan (TSP). For employees covered by the FERS plans, a TSP account is automatically established and CSOSA is required to contribute 1 percent of gross pay to this plan and match employee contributions up to 4 percent. No matching contributions are made to the TSPs established by CSRS.

Note 1: Summary of Significant Accounting Policies (cont.)

employees. CSOSA does not report CSRS or FERS assets, accumulated plan benefits or unfunded liabilities, if any, which may be applicable to its employees, as such reporting is the responsibility of OPM. The Statement of Federal Financial Accounting Standards (SFFAS) No. 5, Accounting for Liabilities of the Federal Government, requires employing agencies to recognize the cost of pensions and other retirement benefits during their employees' active years of service, see Note 8, Imputed Financing Sources for additional details.

Federal Employees Compensation Benefits

The Federal Employees Compensation Act (FECA) provides income and medical cost protection to cover Federal civilian employees injured on the job, employees who have incurred a work-related occupational disease, and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. The total FECA liability consists of an actuarial and an accrued portion as discussed below.

Actuarial Liability: The U.S. Department of Labor (DOL) calculates the liability of the Federal Government for future compensation benefits, which includes the expected liability for death, disability, medical and other approved costs. The liability is determined using the paid-losses extrapolation method calculated over the next 37-year period. This method utilizes historical benefit payment patterns related to a specific incurred period to predict the ultimate payments related to that period. The projected annual benefit payments are discounted to present value. The resulting Federal Government liability is then distributed by agency. The portion of this liability (if any) would include the estimated future cost of death benefits, workers' compensation, medical and miscellaneous cost for approved compensation cases for CSOSA employees. Due to CSOSA's size, DOL does not report CSOSA separately. The FECA actuarial liability (if any) is recorded for reporting purposes only. This liability constitutes an extended future estimate of cost, which will not be obligated against budgetary resources until the fiscal year in which the cost is billed.

Accrued Liability: The accrued FECA liability (if any) is the amount owed to DOL for the benefits paid from the FECA Special Benefits Fund which CSOSA has not yet reimbursed.

Earmarked Funds

Earmarked funds are financed by specifically identified revenues that remain available over time and are required by statute to be used for designated activities, benefits, or purposes. FASAB SFFAS No. 27, *Identifying and Reporting Earmarked Funds*, requires the separate identification of earmarked funds on the Agency accompanying financial statements. CSOSA management determined that none of its funds should be earmarked.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

Note 2: Fund Balance with Treasury

The Fund Balance with Treasury amount represents the unexpended cash balance of CSOSA's Treasury Symbols and consists of the following as of September 30, 2023, and September 30, 2022:

Fund Balance	CSP	PSA	Total FY 2023	Total FY 2022
Appropriated Funds	$156,516,242	$33,656,917	$190,173,159	$178,309,125

Status of the Fund Balance with Treasury consists of the following as of September 30, 2023, and September 30, 2022:

Status of Fund Balance	CSP	PSA	Total FY 2023	Total FY 2022
Unobligated Balance				
Available	$10,061,324	$1,240,048	$11,301,372	$18,682,194
Unavailable	72,834,744	12,278,512	85,113,256	50,839,674
Obligated Balance not yet Disbursed	73,853,477	20,184,469	94,037,946	109,045,908
Less: Reimbursable Obligations	(233,317)	-0-	(233,317)	(248,078)
Less: Accounts Receivable	14	(46,112)	(46,098)	(10,573)
Total	$156,516,242	$33,656,917	$190,173,159	$178,309,125

The Status of Fund Balance may differ from the Fund Balance due to reimbursable obligations that are in an Obligated Balance not yet Disbursed and/or Accounts Receivable status.

Note 3: Accounts Receivable

CSOSA's Accounts Receivable consists of services provided in conjunction with reimbursable services performed through Interagency Agreements. All receivables are considered collectible based on historical precedent; there is no allowance for uncollectable accounts. The receivable consists of the following:

Receivables	CSP	PSA	Total FY 2023	Total FY 2022
Federal Receivable	$-0-	$41,086	$41,086	$8,213
Public Receivable	(14)	5,026	5,012	12,931
Total Receivables	($14)	$46,112	$46,098	$21,144

Note 4: General Property, Plant and Equipment, Net

Equipment consists of laboratory equipment used for the purpose of drug testing related to CSOSA's mission to supervise offenders and defendants. Equipment also includes general office equipment used to support CSOSA administratively. Leasehold improvements represent modifications made to leased assets to meet CSOSA's specific needs.

Note 4: General Property, Plant and Equipment, Net (cont.)

CSOSA established capitalization thresholds of $100,000 for leasehold improvements and $25,000 for equipment. Other property items, normal repairs, and maintenance are expensed as incurred. Internal use software is capitalized when developmental phase costs or enhancement costs are $500,000 or more and the asset has an estimated useful life of two or more years. CSOSA amortizes leasehold improvements based on the remaining period of the lease; equipment is depreciated for five years, and internal use software is depreciated for two or more years.

Property, Plant and Equipment balances as of September 30, 2023, and September 30, 2022, are as follows:

CSP	Estimated Useful Life	Purchase Cost	Accumulated Depreciation	Net Book Value FY 2023	Net Book Value FY 2022
Construction in Progress		$-0-	$-0-	$-0-	$26,614
Equipment	5yrs	8,978,232	7,214,046	1,764,186	907,182
Leasehold Improvements	Based on life of lease	11,490,199	9,522,214	1,967,985	3,624,678
Internal Use Software	5yrs	21,318,545	8,551,998	12,766,547	14,622,288
IUS in Development		-0-	-0-	-0-	1,881,094
Total CSP		$41,786,976	$25,288,258	$16,498,718	$21,061,856
PSA	**Estimated Useful Life**	**Purchase Cost**	**Accumulated Depreciation**	**Net Book Value FY 2023**	**Net Book Value FY 2022**
Construction in Progress		$133,806	$-0-	$133,806	$-0-
Equipment	5yrs	4,824,533	3,463,575	1,360,958	$765,206
Leasehold Improvements	Based on life of lease	704,958	483,019	221,939	257,449
Internal Use Software	5yrs	8,604,532	8,604,532	-0-	-0-
IUS in Development		5,163,721	-0-	5,163,721	5,163,721
Total PSA		19,431,550	12,551,126	6,880,424	6,186,376
Total CSOSA		$61,218,526	$37,839,384	$23,379,142	$27,248,232

Note 5: Liabilities Not Covered by Budgetary Resources

Liabilities not covered by budgetary resources are liabilities for which Congressional action is needed before budgetary resources can be provided. Liabilities not covered by budgetary resources include Accrued Unfunded Annual Leave earned but not used as of September 30. The accrued unfunded annual leave liability is adjusted as leave is earned and used throughout the year. The expenditure for these accruals will be funded from future Congressional actions as the expenses are incurred. The annual net change of the Accrued Unfunded Annual Leave is reflected in Note 11: *Reconciliation of Net Cost of Operations (proprietary) to Budget*. Liabilities not covered by Budgetary Resources consist of the following as of September 30, 2023, and September 30, 2022:

Note 5: Liabilities Not Covered by Budgetary Resources (cont.)

	CSP	PSA	Total FY 2023	Total FY 2022
Accrued Unfunded Liability-Intragovernmental	$16,380	$266,244	$282,624	$410,936
Actuarial FECA Liability- Intragovernmental	-0-	-0-	-0-	-0-
Sub-Total Liabilities Not Covered by Budget Resources - Intragovernmental	16,380	266,244	282,624	410,936
Accrued Unfunded Liability-Intergovernmental	8,287,571	4,190,841	12,478,412	12,780,237
Actuarial FECA Liability- Intergovernmental	661,556	995,254	1,656,810	1,885,443
Custodial Liability - Intergovernmental	-0-	-0-	-0-	-0-
Sub-Total Liabilities Not Covered by Budget Resources - Intergovernmental	8,949,127	5,186,095	14,135,222	14,665,680
Total Liabilities Not Covered by Budgetary Resources	8,965,507	5,452,339	14,417,846	15,076,616
Total Liabilities Covered by Budgetary Resources	11,968,949	4,930,287	16,899,236	15,787,350
Total Liabilities	$20,934,456	$10,382,626	$31,317,082	$30,863,966

Note 6: Exchange/Earned Revenue

CSOSA earns exchange revenue through interagency agreements with other Federal and District of Columbia entities for which CSOSA provides services. Revenues are recognized at the time related program or administrative expenses are incurred. CSOSA reviews and classifies their inter-agency agreements as either exchange or transfers in. Revenues consist of the following as of September 30, 2023, and September 30, 2022:

Exchange/Earned Revenue	Intra-governmental Revenue	Earned Revenue from Public	Total FY2023	Total FY 2022
CSP	$237,638	$-0-	$237,638	$236,616
PSA	6,668	37,277	43,945	6,967
Total CSOSA	$244,306	$37,277	$281,583	$243,583

Note 7: Leases

Operating leases have been established as of September 30, 2023 with future lease payments due for noncancelable terms longer than one year. Many of the operating leases that expire over an extended period of time include an option to renew the lease for additional periods. Most of the space that CSOSA leases is based on the GSA square footage requirements and the rental charges are intended to approximate commercial rates. It is anticipated that, in most cases, CSOSA will continue to lease space beyond the terms of current leases. Rent expense for the year was $20,712,396 and $19,590,574 at September 30, 2023 and 2022, respectively.

Note 7: Leases (cont.)

Future Operating Lease Payments	CSP Federal	CSP Non-Federal	PSA Federal	PSA Non-Federal	Total
Fiscal Year 2024	$12,027,610	$3,116,432	$2,578,983	$109,849	$17,832,874
Fiscal Year 2025	12,388,438	1,836,198	2,468,274	113,145	16,806,055
Fiscal Year 2026	12,760,091	748,983	2,564,299	115,407	16,188,780
Fiscal Year 2027	1,293,220	840,000	652,808	117,716	2,903,744
Fiscal Year 2028	-0-	721,000	653,707	-0-	1,374,707
Fiscal Year 2029 and beyond	-0-	-0-	2,900,194	-0-	2,900,194
Total Future Operating Lease Payments	$38,469,359	$7,262,613	$11,818,265	$456,117	$58,006,354

Note 8: Imputed Financing Sources

Imputed financing recognizes actual cost of future benefits to employees, the Federal Employees Health Benefits Program (FEHB), the Federal Employees Group Life Insurance Program (FEGLI), and the Retirement Plans that are paid by other Federal entities. SFFAS No. 5, Accounting for Liabilities of the Federal Government, requires that employing agencies recognize the cost of pensions and other retirement benefits during their employees' active years of service. SFFAS No. 5 requires OPM to provide cost factors necessary to calculate these costs. OPM actuaries calculate the value of pension benefits expected to be paid in the future, and then determine the total funds to be contributed by and for covered employees. For "regular" and "law enforcement" employees of FERS and CSRS, OPM calculated that 22.4 percent and 47.4 percent for FERS and 50.4 percent and 70.9 percent for CSRS Offset, respectively, of each employee's salary would be sufficient to fund these projected pension benefit costs. The cost to be paid by other agencies is the total calculated future costs, less employee and employer contributions. In addition, other retirement benefits, which include health and life insurance that are paid by other Federal entities, must also be disclosed.

Imputed financing sources consists of the following as of September 30, 2023, and September 30, 2022:

Program	CSP	PSA	Total FY 2023	Total FY 2022
FEHB	$5,833,933	$2,954,020	$8,787,953	$8,018,099
FEGLI	15,956	8,108	24,064	22,841
Pensions	5,398,056	2,532,806	7,930,862	2,400,827
Total	$11,247,945	$5,494,934	$16,742,879	$10,441,767

Note 9: Contingencies and Commitments

CSOSA is a party to various administrative proceedings, legal actions, and claims. As of September 30, 2023, there are no cases classified as probable, but there are two cases classified as reasonably possible with undetermined loss amounts.

Note 9: Contingencies and Commitments (cont.)

Contingencies & Commitments	Accrued Liabilities	Estimated Range of Loss Lower End	Upper End
FY2023 Legal Contingencies:			
Probable	$-0-	$-0-	$-0-
Reasonably Possible	-0-	-0-	-0-
FY2022 Legal Contingencies:			
Probable	-0-	-0-	-0-
Reasonably Possible	$-0-	$-0-	$-0-

Note 10: Explanation of Differences between the Statement of Budgetary Resources and the Budget of the United States Government

CSOSA reports information about budgetary resources in the accompanying Combined Statements of Budgetary Resources (SBR) and for presentation in the Budget of the U.S. Government (President's Budget). The President's Budget for fiscal year 2024, which contains actual budget results for fiscal year 2022, was released in February 2023.

There were no material differences between the amounts for fiscal year 2022 published in the President's FY 2024 Budget and that reported in the accompanying SBRs for the fiscal year ending on September 30, 2022, for obligations incurred or net outlays. For budgetary presentation resources, the difference in Total Budgetary Resources can be primarily attributed to the fact that total unobligated balances brought forward for expired funds are reported in the SBR, but not in the President's Budget. The difference in Net Outlays is due to rounding.

The following is the reconciliation of the 2022 SBR to the 2024 President's Budget.

Fiscal Year 2022	Total Budgetary Resources	Obligations Incurred	Distributed Offsetting Receipts	Net Outlays
Combined Statement of Budgetary Resources:	$330	$261	$-0-	$233
Differences:				
Prior Year Unobligated brought forward	(44)			
Recoveries of Prior-Year Resources	(8)			
Other Changes in Obligated Balance	8			
Other [Rounding]	-0-			(1)
Budget of the United States	$286	$261	$-0-	$232

Note 11: Reconciliation of Net Cost of Operations (proprietary) to Budget

The following is provided as a reconciliation of budgetary obligations and non-budgetary resources, as of September 30, 2023, and September 30, 2022:

	Intra-governmental	With the public	Total FY 2023	Total FY 2022
NET COST	$76,730,525	$205,098,865	$281,829,390	$253,848,905
Components of Net Cost That Are Not Part of Net Outlays:				
Property, plant, and equipment depreciation	-0-	(6,630,978)	(6,630,978)	(6,493,277)
Property, plant, and equipment disposal and revaluation	-0-	-0-	-0-	(367,117)
Other	-0-	-0-	-0-	8,493
Increase/(decrease) in assets:				
Accounts receivable	(3,200)	28,156	24,956	(483)
Advances	137,440	-0-	137,440	-0-
(Increase)/decrease in liabilities:				
Accounts payable	535,248	(1,760,891)	(1,225,643)	(1,882,049)
Salaries and benefits	(106,656)	220,415	113,759	(1,857,035)
Other liabilities (Unfunded leave, Unfunded FECA, Actuarial FECA)	128,311	530,458	658,769	(2,014,466)
Other financing sources:				
Federal employee retirement benefit costs paid by OPM and imputed to the agency	(16,742,882)	-0-	(16,742,882)	(10,441,767)
Total Components of Net Cost That Are Not Part of Net Outlays	$(16,051,739)	$(7,612,840)	$(23,664,579)	(23,047,701)
Components of Net Outlays That Are Not Part of Net Cost:				
Acquisition of Capital Assets	111,839	2,660,078	2,771,917	2,608,950
Total Components of Net Outlays That Are Not Part of Net Cost	111,839	2,660,078	2,771,917	2,608,950
NET OUTLAYS	$60,790,625	$200,146,103	$260,936,728	$233,410,154

Note 12: Undelivered Orders at the end of the Period

CSOSA had Undelivered Orders consisting of the following as of September 30, 2023, and September 30, 2022:

	Federal	Non-Federal	Total FY 2023	Total FY 2022
Undelivered Orders	$9,536,762	$67,739,389	$77,276,151	$93,258,558
Paid	24,007,344	237,037,466	261,044,810	233,666,308
Unpaid	$3,796,803	$13,102,432	$16,899,235	$15,787,350

AFR Section III: Other Information

Summary of Financial Statement Audit and Management Assurances

The tables below summarize material weaknesses identified by the financial statement audit and/or by the Agency through Federal Managers' Financial Integrity Act (FMFIA) and Federal Financial Management Improvement Act (FFMIA) management assurances. There were no material weaknesses identified by the auditors or management for FY 2023.

Summary of Financial Statement Audit:

FY 2023 Audit Opinion:	Unmodified				
Restatement:	No				
Material Weakness	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Total Material Weaknesses	0	0	0	0	0

Summary of Management Assurances:

Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)					
FY 2023 Statement of Assurance:	Unmodified				
Material Weakness	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Total Material Weaknesses	0	0	0	0	0

Effectiveness of Internal Control over Operations (FMFIA § 2)					
FY 2023 Statement of Assurance:	Unmodified				
Material Weakness	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Total Material Weaknesses	0	0	0	0	0

Conformance with Financial Management System Requirements (FMFIA § 4)					
FY 2023 Statement of Assurance:	Systems comply to financial management system requirements				
Material Weakness	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Total Material Weaknesses	0	0	0	0	0

PAYMENT INTEGRITY INFORMATION ACT REPORTING

The PIIA amends government-wide improper payment reporting requirements by repealing and replacing the Improper Payments Information Act of 2002 (IPIA), the Improper Payments Elimination and Recovery Act of 2010 (IPERA), the Improper Payments Elimination and Recovery Act of 2012 (IPERIA), and the Fraud Reduction and Data Analytics Act of 2015 (FRDAA). PIIA requires that agencies examine the risk of erroneous payments in all programs and activities they administer. CSOSA consists of two programs: CSP and PSA. PIIA also identifies DNP pre-award and pre-payment review requirements.

Agencies are required to review all programs and activities they administer and identify those that may be susceptible to significant erroneous payments. CSP performed an internal review of FY 2023 payments and concluded that reviewed payments should have been made and were made in the correct amount. Taking into consideration the low inherent risks of the CSP and PSA programs, the strength of CSOSA internal controls, the results of prior financial statement audits, and CSOSA internal testing of its FY 2023 payment transactions, CSOSA determined that neither program poses the risk of improper payments exceeding both 1.5% and $10 million. In FY 2023, CSOSA complied with DNP pre-award and pre-payment review requirements initiated by our financial SSP, DOI IBC. CSOSA provided information to fulfill reporting requirements under the Payment Integrity Information Act of 2019 (Pub. L. No. 116-117) (PIIA) to OMB. Comprehensive agency improper payment data and information can be found on PaymentAccuracy.gov.